PARLIAMENT OF VICTORIA

PARLIAMENTARY DEBATES (HANSARD)

LEGISLATIVE ASSEMBLY

FIFTY-FOURTH PARLIAMENT

FIRST SESSION

27 September 2001

(extract from Book 4)

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By authority of the Victorian Government Printer

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The Lieutenant-Governor

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FIFTY-FOURTH PARLIAMENT — FIRST SESSION

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Deputy Speaker and Chairman of Committees: Mrs J. M. MADDIGAN

Temporary Chairmen of Committees: Ms Barker, Ms Davies, Mr Jasper, Mr Kilgour, Mr Loney, Mr Lupton, Mr Nardella, Mrs Peulich, Mr Phillips, Mr Plowman, Mr Richardson, Mr Savage, Mr Seitz

Leader of the Parliamentary Labor Party and Premier:
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:
Mr B. E. H. STEGGALL

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Allan, Ms Jacinta Marie	Bendigo East	ALP	Leighton, Mr Michael Andrew	Preston	ALP
Allen, Ms Denise Margret [4]	Benalla	ALP	Lenders, Mr John Johannes Joseph	Dandenong North	ALP
Andrianopoulos, Mr Alex	Mill Park	ALP	Lim, Mr Hong Muy	Clayton	ALP
Asher, Ms Louise	Brighton	LP	Lindell, Ms Jennifer Margaret	Carrum	ALP
Ashley, Mr Gordon Wetzel	Bayswater	LP	Loney, Mr Peter James	Geelong North	ALP
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Batchelor, Mr Peter	Thomastown	ALP	McCall, Ms Andrea Lea	Frankston	LP
Beattie, Ms Elizabeth Jean	Tullamarine	ALP	McIntosh, Mr Andrew John	Kew	LP
Bracks, Mr Stephen Phillip	Williamstown	ALP	Maclellan, Mr Robert Roy Cameron	Pakenham	LP
Brumby, Mr John Mansfield	Broadmeadows	ALP	McNamara, Mr Patrick John [3]	Benalla	NP
Burke, Ms Leonie Therese	Prahran	LP	Maddigan, Mrs Judith Marilyn	Essendon	ALP
Cameron, Mr Robert Graham	Bendigo West	ALP	Maughan, Mr Noel John	Rodney	NP
Campbell, Ms Christine Mary	Pascoe Vale	ALP	Maxfield, Mr Ian John	Narracan	ALP
Carli, Mr Carlo	Coburg	ALP	Mildenhall, Mr Bruce Allan	Footscray	ALP
Clark, Mr Robert William	Box Hill	LP	Mulder, Mr Terence Wynn	Polwarth	LP
Cooper, Mr Robert Fitzgerald	Mornington	LP	Napthine, Dr Denis Vincent	Portland	LP
Davies, Ms Susan Margaret	Gippsland West	Ind	Nardella, Mr Donato Antonio	Melton	ALP
Dean, Dr Robert Logan	Berwick	LP	Overington, Ms Karen Marie	Ballarat West	ALP
Delahunty, Mr Hugh Francis	Wimmera	NP	Pandazopoulos, Mr John	Dandenong	ALP
Delahunty, Ms Mary Elizabeth	Northcote	ALP	Paterson, Mr Alister Irvine	South Barwon	LP
Dixon, Mr Martin Francis	Dromana	LP	Perton, Mr Victor John	Doncaster	LP
Doyle, Robert Keith Bennett	Malvern	LP	Peulich, Mrs Inga	Bentleigh	LP
Duncan, Ms Joanne Therese	Gisborne	ALP	Phillips, Mr Wayne	Eltham	LP
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Haermeyer, Mr André	Yan Yean	ALP	Rowe, Mr Gary James	Cranbourne	LP
Hamilton, Mr Keith Graeme	Morwell	ALP	Ryan, Mr Peter Julian	Gippsland South	NP
Hardman, Mr Benedict Paul	Seymour	ALP	Savage, Mr Russell Irwin	Mildura	Ind
Helper, Mr Jochen	Ripon	ALP	Seitz, Mr George	Keilor	ALP
Holding, Mr Timothy James	Springvale	ALP	Shardey, Mrs Helen Jean	Caulfield	LP
Honeywood, Mr Phillip Neville	Warrandyte	LP	Smith, Mr Ernest Ross	Glen Waverley	LP
Howard, Mr Geoffrey Kemp	Ballarat East	ALP	Spry, Mr Garry Howard	Bellarine	LP
Hulls, Mr Rob Justin	Niddrie	ALP	Steggall, Mr Barry Edward Hector	Swan Hill	NP
Ingram, Mr Craig	Gippsland East	Ind	Stensholt, Mr Robert Einar [2]	Burwood	ALP
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
Kotsiras, Mr Nicholas	Bulleen	LP	Vogels, Mr John Adrian	Warrnambool	LP
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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THURSDAY, 27 SEPTEMBER 2001

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Thursday, 27 September 2001

The SPEAKER (Hon. Alex Andrianopoulos) took the chair at 9.37 a.m. and read the prayer.

RULINGS BY THE CHAIR

Questions without notice

The SPEAKER — Order! On Thursday, 20 September, following a point of order raised by the honourable member for Mornington, I agreed to examine the terms of a question asked the previous day by the honourable member for Clayton. I now advise the house that I consider the question can be broken down into three elements.

Firstly, reference was made in it to the Corrections and Sentencing Acts (Home Detention) Bill, which was then before the Legislative Council for consideration; secondly, it also referred to a decision taken by the Liberal Party; and thirdly, details of the impact on Victoria's corrections system were sought.

With the benefit of a full opportunity to examine the record it is now my view that the first two elements were not in order for the following reasons. Firstly, standing order 95 prevents a member referring to any debate or matter pending in the Legislative Council. In this instance the question specifically referred to a bill which was then on the Legislative Council's notice paper; and secondly, questions must relate to government administration and a minister should not be invited to comment on opposition policy.

Interpretation of ruling

A point of order was raised by the Leader of the National Party on 18 September about a media release issued by the Minister for Transport on 23 August. I indicated at the time that I would examine the documentation and report back to the house. I have now considered the press release and have also spoken to the relevant parties involved. It appears to me that there was no intention to reflect upon the actions of Chair.

The Chair, in making his ruling on that particular occasion, was determining a point of order raised by the honourable member for Mordialloc and his actions should not have been interpreted in the way that they were in the press release issued on 23 August by the Minister for Transport. I ask all honourable members to be careful in the terminology they use in interpreting Speakers' rulings.

Distribution of report

A point of order was raised yesterday by the Leader of the Opposition following the raising of a point of order by the honourable member for Monbulk regarding the distribution of the Electoral Boundaries Commission of Victoria report. I have made further inquiries of Ms Debra Byrne, the secretary of the commission, and she has advised me, further to the advice that I provided to the house yesterday about distribution of that report to Parliament, that at 8.00 a.m. yesterday the three parliamentary parties and their leaderships were advised of and provided with copies from the commission's offices. At 8.30 that morning a further copy was delivered to the minister, and as I indicated to the house, copies for distribution to each member arrived at Parliament shortly thereafter.

The commission has advised that it did not provide copies of the report to the press until a press conference occurred at 10.30 a.m. yesterday morning. It appears to me that the commission endeavoured with its distribution method to satisfy as many of the interested parties as it possibly could yesterday morning. I am unable to ascertain how the press obtained its report.

Mr Honeywood — On a point of order, Mr Speaker, I refer to your ruling on the question asked by the honourable member for Clayton the other day. With due respect, Mr Speaker, you gave the honourable member not one but two opportunities to rephrase his question in question time, whereas in question time yesterday no opportunity whatsoever was provided to the honourable member for Berwick to rephrase his question.

I ask you, Sir, just as you have given due consideration to points of order that have been raised on similar matters and reported back to the house, to at least advise the house on consistency in the future when it comes to assisting members to rephrase questions, in question time in particular, which was not provided to the honourable member for Berwick.

The SPEAKER — Order! The Chair is called upon to make determinations on a very regular basis under most trying circumstances, particularly at question time, where one has difficulty in hearing not only questions but answers. The Chair erred in its determination concerning the honourable member for Clayton, as I indicated in my previous ruling, and has corrected that. The Chair at all times tries to be consistent with its rulings.

PAPERS

Laid on table by Clerk:

National Parks Act 1975:

Notice of Consent of the Minister for Environment and Conservation to the renewal of Mining Licence Nos 5262 and 5263 relating to the Alpine National Park

Notice of Consent of the Minister for Environment and Conservation to issue a work authority relating to Tyers Park

Transport Accident Commission — Report for the year 2000–2001.

BUSINESS OF THE HOUSE

Adjournment

Mr BATCHELOR (Minister for Transport) — I move:

That the house, at its rising, adjourn until Tuesday, 9 October 2001.

Motion agreed to.

MEMBERS STATEMENTS

Transport Accident Commission: financial position

Mr CLARK (Box Hill) — I express grave concern about the massive $192 million loss reported by the Transport Accident Commission (TAC) yesterday, a $640 million turnaround compared with the previous year's result. It seems the government has rushed this report into Parliament during grand final week in order to minimise public scrutiny of this appalling result. However, losses like this cannot be allowed to continue. They mean less money available for injured road users and more money that motorists' premiums will have to make up in future. As well, the Transport Accident Commission will not be paying a dividend to the state government this year, thus cutting further into the government's budgeted $509 million surplus. The government must get to the bottom of this massive downturn and develop a strategy to guarantee the long-term financial viability of the TAC.

The TAC remains in the black for the time being despite this loss, thanks to the strong financial condition for it which Labor inherited from the Kennett government. However, if losses continue at this level motorists will inevitably be facing premium increases in future. This is the second financial disaster which the Minister for Workcover has presided over. His bungled handling of the Workcover issue has helped inflict a $396 million increase in the burden on Victorian employers. Now motorists are finding that under his stewardship the TAC has gone from a $447 million surplus to a $192 million loss. The government and the TAC board must act immediately to get TAC's investment returns back on track and to tackle the problem of long-term claim liabilities.

Awards Clearing House

Ms DELAHUNTY (Minister for Education) — It has come to my attention that a bogus money-making scheme is circulating within the electorate of Northcote and perhaps beyond. Awards Clearing House, which appears to originate from Canada, has been sending letters to constituents of Northcote notifying them that they have been awarded a cash or premium award of $7450 which will only be released to them if a nominal processing fee of $15 is forwarded. When this was brought to my attention by a local resident, I contacted the Minister for Consumer Affairs and Consumer and Business Affairs Victoria. The CBAV is aware of schemes emanating from outside Victoria, most of them from overseas, which are trying to lure consumers into sending money to traders or promoters who are totally unknown to them.

This government has no jurisdiction over the operations of firms or traders located outside Australia, but we will refer the scheme to the Australian Competition and Consumer Commission in Canberra. The ACCC will work with its overseas counterparts to try to address this matter. I urge constituents within the Northcote area and beyond to be very cautious — caveat emptor. It is quite possible that they will lose money on this scam.

Schools: Echuca speech and psychology services

Mr MAUGHAN (Rodney) — I wish to bring to the attention of the house the desperate need for speech pathology and child psychology services in schools in and around Echuca.

Whilst the problem is common to all of the 18 schools with 4200 students in the Echuca–Rochester–Cohuna area, it is particularly evident at the Echuca Specialist School, which I visited last Friday. The Echuca Specialist School has 32 students with special needs and is in desperate need of specialist support services. The school is supposed to receive 3 hours per fortnight of child psychology services. It is lucky if it receives 1½ hours per month. With speech therapy it is even

worse. The Department of Education, Employment and Training supplies 9 hours per term. This is nowhere near adequate.

It is a similar story in the other schools in the area. The provision of specialist services is totally inadequate. It is difficult enough to attract and retain good student services in country Victoria, but the problem is compounded by poor working conditions, short-term contracts, unrealistic workloads, isolation from peers, excessive travelling and inadequate remuneration packages.

I call on the government to ensure that students in the Echuca–Rochester–Cohuna area, particularly those at the Echuca Specialist School, receive much better speech therapy, child psychology and other specialist services than they are currently receiving.

Greater Geelong: service centres

Mr TREZISE (Geelong) — I take this opportunity to express my concern at the City of Greater Geelong's proposal to close its service centres across the Geelong region.

The service centres were established at the time of council amalgamation to ensure ratepayers received face-to-face service from council officers. The service centres are of particular importance to people in outlying suburbs of Geelong in areas such as the Bellarine Peninsula. They are of particular value to elderly people who are very much restricted in gaining access to the city-based town hall.

It is a disgrace that the council has even contemplated the closure of these vital centres, and it says a lot about the current council's priorities. The council's central reason for closing these service centres is to save $250 000.

At a time when the council is quite prepared to gamble ratepayers' dollars on private enterprise and entrepreneurial risk-taking schemes such as the Melbourne-based Comtech port and the now failed Melbourne embassy, it shows little concern for basic ratepayer services.

I call on the City of Greater Geelong to pull its head out of the clouds, take stock of its priorities and start to focus not on pie-in-the-sky projects but basic, everyday essential services to ratepayers. The City of Greater Geelong should hang its head in shame for even contemplating the closure of its service centres.

Minister for Transport: correspondence

Mr KOTSIRAS (Bulleen) — I wrote to the Minister for Transport on 26 July and on 7 August 2001 on two separate issues. Apart from two holding letters, I have not received a response to my letters.

The Minister for Transport is showing contempt for the electorate of Bulleen. By not responding he is either afraid of telling the truth or believes that the concerns of my electorate are not important.

It seems that when it comes to responding to correspondence, this government is in disarray. Despite the fact that the number of ministerial staff across government has increased, they are unable to respond to letters. Soon there will be more advisers than public servants.

According to a leaked document from the Department of Premier and Cabinet, of the more than 400 letters received in one month nearly 300 were not responded to for at least 22 days. It appears that ministers need one person to open an envelope, another person to decide who should deal with the contents of the letter, a departmental liaison officer to liaise with the public servants on how to respond to the letter, a person to draft a letter, and finally, a person to check the letter before it is signed off by the Premier or another minister.

This shows that either the ministers are incompetent, their advisers are confused on who should deal with correspondence, or they are treating the public with contempt. I now call upon the Minister for Transport to respond to both my letters as soon as possible.

Dandenong Hospital

Mr LENDERS (Dandenong North) — I rise to inform the house of some wonderful new developments in the west wing of the Dandenong Hospital. Recently, on a lovely sunny winter's day, I attended the reopening of the wing by the Minister for Health. While it might be a different sort of west wing from the one that most of us are familiar with from the television series, the west wing of Dandenong Hospital is a testimony to the wonderful work of this Labor government in restoring essential health services in local communities like my working-class electorate of Dandenong. The Dandenong Hospital is the largest institution in the Dandenong North electorate. Honourable members opposite should walk through it to appreciate some of the work this government has done.

Firstly, the wing was officially reopened by the Minister for Health in conjunction with the Southern Health Network, nursing staff and a number of other people. It was a great occasion. The development included two new 36-bed wards replacing existing surgical and medical wards, a 30-bed subacute rehabilitation ward, a hydrotherapy pool and an outpatient facility. This redevelopment, which started a couple of years ago, will bring great benefit to the people of my electorate and improve health standards in the area. It was done on a budget of $20.5 million and with massive input from nursing and other staff. It was a great place to be, and I congratulate the minister for carrying out Labor's election commitments.

Rail: Geelong service

Mr PATERSON (South Barwon) — Local Liberal members of Parliament, the Greater Geelong mayor, the Committee for Geelong, the Geelong Chamber of Commerce and the Australian Railway Association have all voiced support for the electrification of the Geelong–Melbourne rail line. So, what did the local Labor members of Parliament do? They decided to start fighting among themselves. One of them attacked the idea, using words such as 'stupid', while two of them were left out on a limb trying to offer some support for the project despite their Labor comrade's cynicism and anti-Geelong sentiments.

These are the Labor members of Parliament who are supposed to go in to bat for Geelong as government representatives. Geelong's Labor members of Parliament would be better off getting jobs in a circus. Send in the clowns!

The Minister for Transport has also treated the people of Geelong with contempt. In response to my raising the issue in this place last week he descended into an hysterical mishmash of lies and abuse. This Labor government's pretence at being concerned for Geelong is now exposed as a sham.

Racial and religious tolerance: Islamic community

Mr LEIGHTON (Preston) — Last Thursday I attended the multifaith gathering with other honourable members. Thousands of Victorians were united in compassion and a desire for peace and respect for all people. Representatives from a number of religions spoke and prayed. The representative from the Islamic faith was Sheikh Fehmi El Iman from the Omar Bin El-Khattab mosque in Preston. I congratulate him on his strong and moving contribution. On the next day, with other representatives, I attended the Preston mosque to show our support and concern for our local Islamic community.

I advise the house of the distress that has occurred in our local Islamic community over the last few days. There have been incidents in schools, and last Thursday I spoke to a Preston tram driver who had to intervene to protect a passenger. These incidents are unacceptable. Such acts are not typical of the attitudes of our broader community and do not reflect the views of decent Australians. No matter which individuals were responsible for the murder and terror in the United States, it is sheer stupidity for a handful of bigots to say that a decent and peaceful community is somehow responsible. It is like pointing at someone who is walking down the street and saying they were responsible for an act of terror in Northern Ireland.

I put on record the contribution the Islamic community has made to Preston and assure them that they have the support and understanding of the vast majority of our broader community. After all, that is what racial and religious tolerance is all about.

Cycling: Melbourne–Warrnambool race

Mr VOGELS (Warrnambool) — Members of the Melbourne–Warrnambool road race committee, which is made up of 17 volunteers, work their butts off each year to stage this event, which will be held in the next fortnight. This year will be the 105th running of the event. Many Australians and cyclists from around the world take part in this bike race.

This year the race committee has been asked to find over $10 000 to fund police fees — funds that it does not have. Last year the charge was $1800. As I said, the race will be held in the next couple of weeks. The committee is asking for the Department of Justice to waive this fee, and to do so fairly quickly. The committee members are working under extreme pressure because they do not know if the fee is going to be waived or not. The government waived the fee for the grand prix, which was over $1 million, and this committee meets the same criteria. The members are volunteers, they work hard and they meet the criteria for this fee to be waived. They would like the Department of Justice to waive the fee as soon as possible — hopefully tomorrow. As I said, the fee has gone from $1800 to $10 000 in one hit.

The committee is made up of volunteers and they are working under a lot of pressure. I ask the minister to take up the matter because he is a great supporter of the Melbourne–Warrnambool road race and he found a great sponsor for the race last year.

Rail: Geelong service

Mr LONEY (Geelong North) — Today I refer to the hypocrisy of Liberal Party members in the Geelong region over the provision of rail services to Geelong. For the seven years the Liberal members were in government they allowed the running down of the rail service to Geelong and supported selling it. Not once in those seven years did they come forward with a creative suggestion about how to improve services. They sat mute and silent while nothing was done, other than the running down of services, and they supported without question the running down of the service to Geelong. Within the last couple of days Liberal Party members decided on the placebo answer of simple overhead electrification. The three local Liberal members and the Liberal mayor of Geelong have gone for the simplistic answer again instead of talking about quality service provision.

Labor members in Geelong want quality service provision, in whatever form it may take. We support the provision of quality rail services throughout Geelong and not a simple electrification placebo. The Labor member for Geelong Province in another place and the honourable member for Geelong said they would support looking at an option, but only if that option provides quality service.

ESSENTIAL SERVICES COMMISSION BILL

Second reading

Debate resumed from 26 September; motion of Mr BRUMBY (Treasurer).

The SPEAKER — Order! As a statement has been made under section 85(5)(c) of the Constitution Act, I am of the opinion that the bill requires to be passed by an absolute majority of the house at the second-reading stage.

Mr INGRAM (Gippsland East) — I began my contribution last evening and was commenting on the second-reading speech, but I did not quite finish. It states:

> A well-planned, competitive, efficiently managed and regulated essential services sector delivers benefits to all Victorians.

Essentially the bill provides for the taking over of some of the roles of the Office of the Regulator-General. I refer to a briefing note from the Office of the Regulator-General, which states that the office's objectives under the Office of the Regulator-General Act are to:

> … clearly identify the role of the office as being to promote competitive market conduct and to prevent misuse of monopoly or market power —

particularly in relation to private sector industries or industries that have been privatised.

I will confine my comments to a couple of aspects of the bill. Although the Treasurer said this bill fulfils an electoral commitment concerning electricity, gas and water services, the Essential Services Commission will not become responsible for the water industry until 2003. Before the commission assumes that responsibility, the government will need to make the appropriate arrangements with respect to this bill to provide for that oversight; there will need to be discussions and negotiations to bring that into place.

It is reassuring to know that as part of the process the government will engage in a consultation, which will enable attention to be focused on the difference between electricity and gas on the one hand and water on the other. For better or worse the retail electricity and gas markets have been privatised, but water has not and should not be. Electricity and gas may come within the scope of national competition policy, but that does not mean that the water industry should come under the same arrangements.

To some it may seem natural that the government-owned authorities should pay dividends to the government, but for others those dividends are simply taxes for those services. To some there may not seem to be any difference between requiring a return on assets when making determinations for gas or electricity and requiring a return when making determinations for water. To others the need for government-owned authorities, presumably providing a service, to conform to commercial rules about a return on assets is nonsense.

I welcome the government's proposed amendment to limit the amendments to the Water Act to allow the imposition of surcharges on licences to cover the commission's costs to the retail water authorities in Melbourne, for which the Regulator-General has some responsibility. I also note that clause 66 requires a review within five years. Subclause (2) states that the purpose of the review is to determine:

> (a) whether the objectives of this Act and the Commission are being achieved and are still appropriate; and

(b) whether the Act is effective and needs to be amended so as to further facilitate the objectives or to insert new objectives.

However, the Treasurer stated in his second-reading speech:

> This will not be a broad review of the commission, but rather is intended to assess whether the act's objectives and processes need to be finetuned.

I understand the reason for this qualification to the extent that the review concerns sovereign risk. However, the Treasurer's qualification raises the question of when the government will undertake the broad-ranging review implied in clause 66, and if this is not proposed unless circumstances so require, what criteria will be used to determine whether or not such circumstances have arisen?

I refer particularly to the bill's provisions for gas and the regulation of natural gas. One of the issues that country members of Parliament always come up against is the price of bottled gas. I am disappointed that the bill does not take that into consideration. I have been pushing to have a change made to the definition of gas as fuel. Bottled gas or liquefied petroleum gas is the only domestic fuel available for many Victorians living outside the major centres. In areas of my electorate it is used for cooking, heating, lighting, hot water and refrigeration. I have asked the government a number of times to address the issue and as yet have not had much joy.

The bill establishes the Essential Services Commission, which will ensure the consumer is protected in dealing with monopoly industries. In relation to natural gas, some new operations are coming on board so there will be other players in the market in the near future. The announcement has already been made of a potential new development in Gippsland at the Patricia Baleen gas field, which will be hooked into the eastern gas pipeline.

A number of issues still need to be addressed, such as there only being one line into Melbourne. It has to go through Longford, so a bypass is needed on the Longford facility to ensure that new developments in Gippsland, such as the potential of the Kipper field, can be addressed. There are still some disputes over whether Kipper should be developed, because there are two licences over it. One is held by the current major player in the Bass Strait fields. It does not want the area developed because it will go into direct competition with it. I do not think this bill will look at that.

It irks East Gippslanders to think that in my electorate, which covers about 14 per cent of the total area of Victoria, having increased slightly since the redistribution, none of the major towns is hooked up to natural gas. In East Gippsland we can see the gas fields out in Bass Strait and we can see them burning off the waste gas at night, yet we are still totally reliant on bottled gas. Because we are to be hooked up to the eastern natural gas pipeline, the price of bottled gas has become exorbitantly high recently. Some predatory pricing is going on at the moment, directed at the major businesses in East Gippsland, and the cost of supplying bottled gas is putting major pressure on those businesses. While I understand that people want to see natural gas regulated and looked after, it is important to also include bottled gas in that regulation.

I turn to the regulation of the water industry. Because the water industry is not privately owned — it is a government-owned monopoly — one would like to think that governments have fair pricing structures in place. I want an assurance from the government that there are no plans to privatise the water industry. I recently had an interesting discussion in my office with a constituent who had made representations to the previous member for Gippsland East about why the dividends that go to government were no longer printed on water bills. This is an issue right across Victoria.

A large amount of money is taken out of water revenue in the form of a tax which goes straight to government, and information on that dividend has been removed from water bills. When my constituent asked the previous member for Gippsland East why that had been removed, he was told that in the member's view it was because the government had to prove the industry was profitable so it could privatise it. I would like an assurance from both sides of the house that there will be no future privatisation of water, because it is a commodity that should not be privatised.

Not many people would realise the amount of revenue that is going to government from the metropolitan water retailers. The taxes, dividends and charges received from the metropolitan water providers total around $500 million each year. It is important that the consumers know that is the case when they receive their bills. There is no point regulating the price unless consumers have a clear indication of how much money is going to those businesses.

I will go through them: the profit and loss statement for Yarra Valley Water for the year ended 30 June 2000 shows an operating profit before income tax of $96 473 000 and an operating profit after income tax of $99 890 000. The figures for the other retailers are similar: South West Water Authority had an operating profit of around $200 million; City West Water had an

operating profit of around $110 million; and Melbourne Water also pays an extremely large dividend. It is vital that the Essential Services Commission look at that issue and provide a clearer definition.

I would like to think that in future some of that revenue could go towards restoring some of the damage that Melbourne Water and its consumers do to the Gippsland Lakes and the Thomson River every year. The Thomson Dam is the largest reservoir supplying Melbourne's water, and the damage done to that area needs to be addressed.

The bill provides some broader powers, but it is essential that the issue of bottled gas and the distribution of essential services are also addressed. I noted that the honourable member for Gippsland West referred to the Independents charter and the fact that the delivery of services should be based not on the potential for residents in country areas to pay for them but on the need for those services and their importance to country areas. Because of the privatisation of the electricity market country consumers will be faced in the future with higher prices compared with those paid by city consumers. That is unreasonable, and I ask the Essential Services Commission to address the issue.

A number of constituents in my area are adamant that they need to get mains grid power to their business operations, but they are having major trouble convincing the local privatised company to enter into that market. The running down of the distribution networks in the power grid will mean that once full retail contestability is introduced country consumers will face higher prices. It is important for the Essential Services Commission to consider the public benefit. Those services need to be provided everywhere, and that will not necessarily be done in a fully privatised market. I thank honourable members very much for hearing me out. I will support the bill.

Mr VOGELS (Warrnambool) — This bill provides for the establishment of an Essential Services Commission which will act as an independent economic regulatory body in Victoria. The commission will subsume many of the functions, objectives and powers — including staff — of the Office of the Regulator-General.

The government's reasoning for establishing this commission, it says, is to ensure the high-quality, reliable and safe provision of electricity, gas and water services for all Victorians. The commission will also eventually have control over our ports, rail and grain handling. There is no doubt that there is a need to establish a body to monitor our regulated industries. What concerns me, though, is who will control the regulators or the commission. On my careful reading of the second-reading speech, the answer is obviously the relevant minister of the government of the day.

This bill has socialism written all over it. The word 'regulator', or derivatives thereof, appears 132 times — or on approximately every third or fourth line — in the second-reading speech. Businesses need to make a profit: we do not need the dead hand of government holding back investment. The usual adjectives are spread throughout the second-reading speech. They are words we have all heard and become very familiar with, such as 'transparent', 'disciplined', 'substantive', 'enhanced', 'accountable', 'independent', 'optimal', 'effective', 'affordable', 'safe', 'strong', 'competitive', 'reliable', 'important' and, of course, 'inclusive'. All these words and others that are equally meaningless appear in the first three pages of the second-reading speech. It also contains the usual buzz words — for example, 'triple bottom line', 'key policy pillars', 'world class', 'centre of excellence' and a new one I have never heard before, 'hard wire'. I do not know what that means. They may sound impressive, but they are simply empty, meaningless words.

This bill reminds me of the legislation that was going to deliver cheaper petrol to rural Victoria — it sounded promising but achieved nothing. In Timboon yesterday petrol cost 96 cents a litre; in Melbourne it cost 85 cents a litre. The government claims that the bill gives the new Essential Services Commission powers that will allow it to overview and regulate optimum long-term infrastructure and investment and financially viable regulated industries, pushing the boundaries of world best practice. They are all high-sounding principles, but they are empty of any real meaning and quite dangerous if you try to force cheapest prices everywhere.

Is our obsession with competition really such a good thing? Is it smart to drive what our regulated authorities can charge to the lowest price without looking at the long-term impact on our businesses and their workers and families? We have just seen the Regulator-General reject the grain corporation's proposed price rises for 2001–02 because he was not satisfied these increases could be justified. Let us hope he is right and that the Geelong and Portland facilities remain viable.

We have seen West Coast Rail having to merge with Connex because it is unable to get a long-term contract from the government to run its trains to Warrnambool. This uncertainty means it cannot upgrade its infrastructure in any meaningful way, and again I hope

the merging with Connex does not lead to job losses for workers and their families in Warrnambool.

Every year we face more and more power restrictions and yet the power companies are reluctant to add to generating capacity because they claim they are unable to obtain price increases for power which would justify the capital expense. I refer to an article in the Opinion section of the *Age* of 17 September written by Carolyn Rance, which states:

> Over the years I've watched the competition creed take hold and convince a hopeful public that all goods and services should be available to them at a wished-for rather than a realistic price.

Competition is great, but driving prices to a level where they are not sustainable carries a huge risk — just ask the staff at Ansett, Compass and Impulse what cheap airfares have done for them.

The other piece of this legislation that amazes me is that the minister can say with a straight face that the Essential Services Commission will be independent of government when the appointments are to be made by the Governor in Council — in other words, by the minister. Clause 17 deals with the membership of the commission and the following clauses set out the process for appointments, which will probably be in this order: a full-time chairperson or acting chairperson, full-time and part-time commissioners, who under clause 26 appoint members to divisions, committees and panels, and who may also appoint staff, consultants — we have to have consultants — and stakeholders — that is, our union friends and others who need a look in.

The powers of the Essential Services Commission are set out in various clauses. It can make determinations, set standards, license businesses, control market conduct, obtain information, hold inquiries, issue summonses, conduct investigations, serve compelling orders; and it can even ignore its objectives if it wants to.

The minister is trying to convince us and the public that the commission will be independent of government. The commission's determinations, reports and inquiries will not be subject to ministerial direction and control, yet the commission is appointed by the government, represents the Crown, reports to and advises the minister, makes recommendations to the minister, accedes to the minister's requests, consults with prescribed agencies and government bodies, complies with ministerial requirements, consults with the minister and is administered by the minister responsible for setting licence fees and charges. Even given all these provisions we are supposed to believe it is independent of government and not subject to ministerial direction or control!

We are also told that the one-off costs to set up the commission will be recovered from the industries involved and not the consumer. We all know that add-on costs are passed on to the consumer. We are then supposed to believe that after the initial establishment costs there will be a reduction of costs, and that that reduction is — listen to this — because of the nature of cost recovery for the full implementation of full retail competition. I do not understand what that means. I could not work it out. In plain English I think they are trying to say that it will reduce costs because the consumer will pay and not because of a reduction in the overall cost of the commission, as the minister claims. Nobody has ever heard of a government department reducing its budget requirements, certainly not under a Labor government.

In conclusion, the whole essence of this legislation is political speak and buzz words. It does nothing so far as I can see to improve on what the Office of the Regulator-General has already been doing. So far as I can see it is doing nothing to improve what has been occurring in the past. It is simply window-dressing and giving the minister of the day much more control.

Mrs MADDIGAN (Essendon) — It is always a pleasure to speak on a bill that fulfils an election promise, and the Essential Services Commission Bill does just that. I want to speak mainly on how the bill will improve the rights of consumers in relation to the regulation of utilities. I am concerned at the comments of the honourable member for Warrnambool, who seemed to be casting some doubt on the independence of the Regulator-General. Anyone who has anything to do with Dr John Tamblyn in his role as Regulator-General has the highest regard for his independence and capacity. Not only do the electricity companies have a high regard for him, so do the consumer advocates. He is an excellent choice to take on this role, and the people of Victoria should be pleased at his appointment. I invite the honourable member for Warrnambool to have a look at some of the determinations of the Regulator-General to see how fair he has been and how good an understanding he has of the economic conditions of the electricity industry. All of those things will strengthen his role in his new job.

It is a surprise to me to hear honourable members opposite suggest that the bill is an endorsement by the government of the previous government's policy of the privatisation of public utilities. Nothing could be further from the truth. Many people in Victoria still regard the

opposition with disgust because of the sale of public utilities. What the bill does is to try and fix some of the problems caused by previous legislation; it is certainly not an endorsement of it. When the opposition complains about revenue coming to the government from gaming one should always remember that the revenue that came to our health system from electricity companies and utilities was lost because of the actions of the former Liberal government.

Since the privatisation of utilities great concern has been expressed about the rights of consumers. Andrea Sharman from the Essendon Community Legal Service is one person who has been involved in advocacy groups trying to protect the consumer in this new privatised environment. When the utilities were state run government accounting procedures and openness of reporting allowed the community to have a great understanding of how they operated and their policy decisions. Now they are responsible to their shareholders, not the people of Victoria. It is essential to have bodies like the Essential Services Commission to help provide that role so the community is aware what is happening to its basic facilities. The bill strongly improves the role of consumers in this area. There are three main ways in which this occurs.

The Essential Services Commission is required to develop a charter of consultation and regulatory practice. The charter will not only ensure that the commission embraces a consultative and inclusive approach to regulation, but also that this approach is presented in a fully transparent and accessible manner. That will be a pleasant change from the problems people have had trying to access financial matters since electricity companies were privatised. The commission will be expected to develop its charter in consultation with stakeholders as a matter of priority. Again that will give excellent access to people in the community who are concerned about the operation of these utilities.

There is a stronger appeals framework, which will allow people more freedom. Under the new provisions regulated businesses will have up to 30 working days to appeal a determination of the commission — it was previously 14 days — and there is now the option of an additional 15 working days if required. For the first time interested parties will be allowed to participate in the appeal process.

However, the main vehicle for protecting consumer rights is the Consumer Utilities Advocacy Centre, which will be established to coincide with the commencement of the Essential Services Commission on 1 January next year. The centre will deliver effective consumer input to regulatory processes and will be a centre for customer advocacy research and information dissemination. It will also work with consumer and user groups to enhance consumer advocacy. Considerable concern has been expressed about dealing with electricity companies in individual cases. It has been difficult to have a path for individual consumers, particularly those who are socially and economically disadvantaged. A body that will provide support for those people in dealing with the electricity companies is welcomed, because obviously the resources of consumer groups are significantly smaller than those of the multinational companies that now run electricity companies.

The Minister for Consumer Affairs has already announced that on its establishment the centre will receive up to $500 000 in direct annual funding to ensure consumer advocacy groups have some strength to participate in claims or do work in relation to electricity companies. This is a major step forward. Consumer advocacy groups will warmly welcome the fact that they will be given some power in their dealings with electricity companies.

The Essential Services Commission will not restrict the operation of companies, as was suggested by the honourable member for Warrnambool. Rather, the commission will provide a framework in which they can operate with some certainty, have reference groups, relate to their consumers and customers, and develop electricity and other essential services to ensure the provision of supply for the state of Victoria.

This legislation is worth while and helps to fill many of the gaps left by the legislation introduced by the previous government when it privatised the utilities.

Mr SMITH (Glen Waverley) — It is a delight to join the debate and to follow erudite speakers in an atmosphere of friendliness and hospitality. It must be the weather!

The Essential Services Commission Bill reminds me of a situation years ago when I was in the army and it decided to undergo a reorganisation. The title on my door used to be assistant director, public relations, or ADPR, but following the reorganisation it became SO1PR. Despite that, nothing changed! My pay was the same and my job was the same, but someone got a great deal of satisfaction out of knowing that we had changed all the nomenclatures of the individuals in the work force.

I believe that is exactly what we are doing with this bill. We have just changed the name of the organisation

from the Office of the Regulator-General to the Essential Services Commission.

The learned honourable members who preceded me, particularly on the opposition side, have pointed out the faults, as in particular has the shadow Treasurer. We have heard how many of these faults will lead to wickedly and dastardly things, but my reading of it is that we have merely changed the names on the doors.

However, I will raise an interesting point before I mention my real concerns. In its election promise the government said it was going to, and I quote, 'guarantee reliable supplies of gas, water and electricity through an Essential Services Commission with tough new powers'. This was to be a big election promise.

As honourable members would be aware we have had two summers of blackouts, during which our electricity supplies were not guaranteed. Through industrial disputes, other problems and a lack of purpose on the part of the Premier and his ministers, people were inconvenienced and in many cases seriously hurt as a result of the government's inability to control the supply of electricity.

The government needs to make sure that it begins to get along with the unions and offers them incentive in the same way as the previous Kennett government did. Criticism of Jeff Kennett is widespread in the community, but no-one, as the honourable member for Bellarine would agree, better handled the power unions — the essential services unions — than Jeff Kennett. The little meetings they used to hold over there in Treasury Place, where they would come to agreements about whatever they were doing — it must have been a tremendous embarrassment to the Labor Party — guaranteed industry reliability of supply and financial stability.

The Bracks government needs to take a good look at itself and at how it administers the electricity, gas, ports, grain handling, rail and water industries, and any of the other industries that are prescribed by regulation through this legislation.

We have to ensure that the people of Victoria have reliability of supply. We have reached a worrying stage in our economy with job losses et cetera, and the union dominance that was present before has to go into the background — —

Mr Spry interjected.

Mr SMITH — And the unions have to act responsibly, as the honourable member for Bellarine so wisely interjects. They have to take on an aura of responsibility. Otherwise this state's reputation will go right out the window, because the government will not take responsibility for the way it is financially running the state. It will not take notice of Liberal Party policies to reduce payroll tax and sensibly run the Transport Accident Commission. Reports in this morning's paper, which are also bellowing from the radio, demonstrate that the TAC is in trouble. Why? Because the government has bled the TAC dry and has taken too much from its proper earnings. The Cain government did the same thing in the 1980s when we were in opposition. This all ties in with the financial and industrial responsibility of government, which is sadly lacking at the moment.

The Premier has to take a hard look at himself. He has to re-examine his approach, not only to the unions but to how he negotiates and sensibly makes sure that we are running down a straight path so that not only the people we represent, the constituents, but also businesses know they will have a reliable supply of the essential services we so much depend on in our society.

The government needs, right from today, to take a new approach to the way in which it is running things, and this is an ideal bill with which to start anew. Otherwise we will all be part of this running down, which is so sad to see in a state that before was right on top. Unless the government does something — and it is the government's job to do it — we will find ourselves with serious problems.

I see the bill as mere window-dressing, a changing of the names on the doors, rather than as a bill that will effectively ensure that this state is on the road to recovery.

Mr HARDMAN (Seymour) — It is a pleasure to speak on the Essential Services Commission Bill. The bill delivers on a 1999 Bracks Labor Party election pledge — I think the sixth pledge — as was shown yesterday, when the scorecard that was put into most people's letterboxes prior to the election was passed around the chamber.

The Essential Services Commission is being established due to the concerns raised with the Labor Party by the community in general about the need for government to ensure high quality, reliable, safe and reasonably priced services in a privatised environment. Obviously there are other considerations and issues that need to be looked at as well, including being environmentally considerate and ensuring the economic viability of the companies, many of which are operating in a monopolistic environment. That is fantastic.

The bill looks at electricity, gas, ports, grain handling services, and rail freight access — all from January 2002; and water and sewerage from January 2003. I listened carefully to the debate on that aspect particularly yesterday, and I understand there will be further legislative consideration given to it next year — quite significant consideration, from what I read.

Now that electricity and gas industries are privatised I believe the Essential Services Commission has become an essential service. It was a Labor Party election commitment, as I said before; and it was pleasing to hear the Leader of the National Party yesterday giving credit to the government for putting regulatory power over grain handling services into the hands of the regulator. That just goes to show, yet again, the Bracks Labor government looking after regional and rural communities to make sure their businesses remain viable. That is a lot of what the bill is about: it ensures that we as a state can assure businesses that if they set up here in Victoria they will have reliable, consistent services including electricity, gas and water along with all the others.

Business competitiveness is a very important issue for Victoria, and it is important to attract business. The government is about creating jobs and making sure all Victorians have a good quality of life, and you can see that in the policies the government is delivering. We cannot do in Victoria what some honourable members on the other side would perhaps like to do, such as create an environment of the sort found in Indonesia or India in which you could pay a worker $1 or $2 a day and compete in a world market by having a Nike set-up or something along those lines. This government is about providing decent standards of living for all people, and therefore we need to be able to compete in the world market, which means having consistent electricity and gas supplies.

The recent collapses of some essential services in Australia — for example, Ansett Australia, HIH Insurance and One.Tel — may have been prevented by a better regulatory system. All of those three sectors, aviation, insurance and communications, are regulated by the federal government and are its responsibility. We believe the federal government has failed in those areas, and the federal Labor Party must get that information out into the community. The Bracks government, therefore, is taking up the responsibilities that are assigned to state governments.

Opposition members have suggested that the commission will not be independent. Clause 12 of the bill indicates clearly that the government has no control over the commission in the determination of decisions and no control over reports and inquiries. That is a brave provision to put into a bill. The government has consistently kept to its election promises of being an open, accountable and transparent government, and I congratulate the writers of the legislation for including things of that kind in the bill.

Health and safety are obviously very important issues and need to be considered. The Longford gas explosion was a disaster for the state in many ways, and it seems from the results of inquiries as reported in the papers that it could have been prevented by better maintenance regimes by the companies involved. I would like the commissioner to make sure that companies are appropriately regulated and forced to meet proper standards so that the Longford situation does not happen again.

The people of the Seymour electorate expect good gas and power supplies. Some people live in smaller communities such as Pyalong or Toolangi, where you might not really have the town services, and my office is often inundated with calls from very frustrated people who are not getting consistent, uninterrupted supplies. By having a watchdog with good teeth — a proper commission — the companies will be very concerned to meet the right standards of service. That arrangement will put country people's minds at rest and make sure they are treated as important citizens like everybody else around the state.

I must finish shortly to allow others to have a say. I congratulate the people who obviously took a lot of time to consult with Victorians, the important stakeholders. The bill will stand up under scrutiny and will not have to be reviewed too often in the future. I commend the bill to the house.

Mr DELAHUNTY (Wimmera) — I am pleased to speak on the Essential Services Commission Bill, which is about the establishment of a commission to be an economic regulator of Victoria's utilities and will take over the role of the Regulator-General. From a reading of the second-reading speech and of the bill itself it is clear that the bill is enabling legislation.

It all sounds terrific in theory, offering all things to all people: more effective regulation, greater reliability of supply, enhanced accountability and better consumer protection; we all have to agree with those things. But all of that must be done while recognising the importance of the regulated utilities gaining an acceptable yield on their long-term investment. It is interesting to note that the honourable member for Seymour was talking about competition. I thought he was talking about the Brisbane Lions!

Mr Hardman interjected.

Mr DELAHUNTY — There are no poor people in country areas, only people who are more disadvantaged because they live a long way from Melbourne, where some of these decisions are made.

I think the Office of the Regulator-General has done some fantastic work, and I will touch on electricity and water. The ORG was called into my area via the West Wimmera shire and other councils when there were major concerns over Powercor delivering power out to West Wimmera shire. The people out there did survey work. What they wanted was not only price but more reliable service. The things we are looking for are reliability and cost-effective service. We were having too many blackouts. All those things were happening because the locations were so far away from the major source it was just a blip on some central screen. Then the ORG stepped in, and I congratulate Dr John Tamblyn for his work. Penalties are now applied to those power companies if they do not provide an effective, reliable and cost-effective service, and it is important that that continue under the new commission.

Water is a vital resource, and wars are fought for it around the world. It is also a finite resource. In country Victoria there are 5 rural water authorities and 15 urban water authorities, and I know that there are also 3 metropolitan water authorities. Because of this bill, 600 people will be put out of business in the country rural authorities. I am not sure that the advisory committees and service committees will have any role to play because the Essential Services Commission will take all the decision-making powers away from the country authorities and put them back in Melbourne.

The McDonald report was brought down years ago, prompted by a protest march in East Melbourne where the then Rural Water Commission was operating, and as a result the rural water authorities were given the opportunity for decision making. But who will make the decisions on operational matters? What about water restrictions? That is an area which at the moment is controlled by the rural water authorities. Who will decide how many dams farmers can fill? This is done at present by the rural water authorities with the assistance of the water advisory committees.

My leader has spoken about my worry, which is: are we setting this area up for privatisation of water? This would appear to be an outcome of the legislation, and there will be no parliamentary scrutiny. The law will be administered by the commission. If there is a problem in country areas, who will we go and see? Will it be a bureaucrat based here in Melbourne? There will not be a lot of encouragement for investors, and this is at a time when the Wimmera Mallee pipeline project must go ahead for water savings and improved water quality in our area. That project will have major social, economic and environmental benefits for the Wimmera electorate and also for the new electorate of Lowan, which covers that entire area.

I hope the Essential Services Commission can deliver all the things it has promised, and particularly the Wimmera–Mallee pipeline.

Mr LANGDON (Ivanhoe) — I am pleased to support the bill because it delivers on a fundamental promise of the Bracks government which was taken to the electorate in September 1999 — two years ago. It has taken two years to get to this point, because unlike the previous government this government consulted with the people. The Treasurer and the parliamentary secretary have done a great deal of work consulting with industry, consumers and so on.

The government will not rush into things. Even though it was an election promise we wanted to get it right, and I believe the bill gets it right. I am aware that the opposition has raised some concerns. I also know that the honourable member for Dandenong North has responded to a lot of those concerns in his reply, so I will not repeat them.

The world has changed fundamentally, and in the last two weeks it has changed again. In the 1960s and 1970s the state was run by many government monopolies, but today industries are being privatised. In the last 10 years or even less we have witnessed the Longford gas disaster in Victoria, with the tragic loss of lives there and the effects it had on Melbourne; in Auckland there were electricity supply problems and the disastrous effects that had on the New Zealand economy; and in Sydney there was the water problem, with its disastrous effects on the city. I know that California has gone through lots of difficulties as well. The parliamentary secretary has stated in his contribution that California would like to have had a bill such as this in its hands when that disaster happened.

This legislation is setting up the regulation of certain areas because we know that with privatisation things can go wrong. The recent Ansett Australia problems are a prime example of what can go wrong. We do not want those things to happen again. Government and opposition members are alike in that we are all greatly concerned with these disasters, but the commission will work towards fixing such problems. I commend the bill

to the house and look forward to hearing the contribution of the honourable member for Bellarine.

Mr SPRY (Bellarine) — The most flattering thing I can say about Labor's motives in introducing this bill is that at least they are consistent with its stated policy before the last election. So far as guaranteeing supply of essential services goes though, as the honourable member for Glen Waverley so accurately said, Labor's record in maintaining supply has not been good, particularly after the troubles down in the Latrobe Valley over the last couple of summers.

The Essential Services Commission Bill is essentially a mirror of existing provisions in legislation governing the Office of the Regulator-General — in other words, it is an exercise to simply rebadge the former Kennett government's legislation to give it a Labor tag. This lack of imagination is consistent with Labor's failure thus far to inspire this state with any new hallmark initiatives. In fact it is hard to identify one single major project which is Labor's alone.

The best I can come up with so far is a still highly suspect plan to revolutionise passenger rail travel times between regional centres and the city. Those plans are suspect because, firstly, the costs are still totally speculative — the $80 million that the government forecast in its pre-election figures has become $800 million, a tenfold increase, give or take a few million dollars; secondly, the time savings predicted are marginal at best; and thirdly, the public–private partnership is far from anything approaching consummation at this stage.

The corporatisation-privatisation program which the former government drove with such success was designed to engender natural competition and the cost benefits to consumers which would follow. I remind members opposite that that policy objective was advocated by Professor Fred Hilmer, originally under the sponsorship of the Keating Labor government. It was adopted with what one can only describe as furtive enthusiasm by Joan Kirner in Labor's dying days in this state for altogether different reasons.

Despite Labor's ideological distaste for privatisation, Joan Kirner was forced to embrace the concept in a desperate bid to generate cash. Cash was needed to address a shamefully escalating recurrent budget deficit. Sadly, similar trends now seem to be emerging, as was remarked on by the honourable member for Glen Waverley earlier. Forget about the ballooning hard-core debt in those days, when debt jumped from $11 billion to $32 billion in 11 years: Joan Kirner and her cabinet were searching desperately for cash just to pay the salaries and wages that were owing by the government.

When the coalition was elected in October 1992 corporatisation and, following that, privatisation were no longer options, they were imperatives. I take my hat off to Alan Stockdale and his Treasury officials of those days, the architects of the process. It is generally acknowledged that the figures negotiated for the sale of these state assets were excellent. Why was this so? Because at the time buyers had confidence in the government of the day and the process and the regulatory regimes which had been put in place. Not the least of these was the creation of the Office of the Regulator-General. It has since been effectively demonstrated that price regulation has been generally fair to both consumers and the operating entities, with the result that in Victoria we have completed the transformation from public to private enterprise in the energy and services sectors effectively and with a good deal of stability.

It must be recorded that at least this Labor government has had the sense to consolidate the process introduced and pioneered by the former conservative government rather than going off on some mad ideological tangent, as one would have expected given the left-wing elements that would have been urging Labor to follow that particular path.

One of the essential elements of this ongoing legislative process is to ensure that the climate of competition prevails by providing legislative guarantees of open access to monopoly transmission lines. By 'transmission' I mean such things as high-voltage powerlines, major gas lines and the rail network in the transport sector. I also talk about the possibility in the future, although it is unlikely — it certainly will not be introduced under a Liberal government — of including major water conduits.

In concluding my very brief remarks, I reiterate what I said earlier. This bill simply rebadges a legislative system which has thus far proven effective in regulating the supply of essential services to this state, and I therefore offer my support for it.

Mr STENSHOLT (Burwood) — Like others, I rise to support the Essential Services Commission Bill. We have had a good debate on what is clearly going to be an excellent independent economic regulatory body to ensure the high-quality, reliable and safe provision of utility services. Competition in the marketplace for essential services and the way it is managed are very important, because self-regulation is not sufficient given that codes of conduct in a competition market do

not always work. When one supplier is approaching monopoly status there is obviously a need for regulation.

We are learning that the philosophies of people like Hayek and others that talk about seeking absolute freedom in markets do not work. There is a clear recognition that while there are benefits from competition — I notice the last speaker used the phrase 'natural competition' — its worst excesses need to be avoided, particularly in essential services. For example, we have recently seen the collapse of One.Tel and Ansett Australia. The natural objective of competition and market forces is to create monopolies in order to achieve monopoly gains. This is where regulation comes into focus — to provide economic and social balance. This is exactly what this bill aims to do and will do. It will be one of the great achievements of the Bracks Labor government.

I notice that yesterday the former member for Burwood popped up in the media and started to spout the Liberal Party propaganda regarding this government, as indeed have the last two speakers from the Liberal Party. They have said the government is not doing enough, it is reactionary and it merely engages in a process of consultation. This bill gives the lie to that. This is a substantial achievement. It aims to protect supply, it aims to protect small consumers, and it aims to provide support for people in rural and regional Victoria. The honourable member for Wimmera talked about the issues concerning rural Victoria. There are many people on small incomes relying on essential services in rural and regional Victoria. That is what the regulator and the Essential Services Commission are aiming to protect. This is one of the key tasks of the regulator, and this Bracks Labor government wishes to ensure that the regulator has the powers to ensure that small consumers, particularly in rural and regional Victoria, are protected.

It is said there is nothing new in this bill, but in fact it provides a commitment to consumer advocacy and rights, which is very important. The bill was created through a process of consultation. Yes, there has been consultation — 70 submissions and 30 or 40 further submissions — and this process of careful consultation in what is essentially an area that needs great care has resulted in action. This consultation has resulted in appropriate action and appropriate transparency and accountability for the people of Victoria through the Essential Services Commission. It has resulted in this bill, which achieves those ideals. It means things are happening in Victoria. It means that people and services are protected and reliability and high quality are ensured. On that basis, I support this bill on behalf of my constituents in Burwood and commend it to the house.

Mr BRUMBY (Treasurer) — In summing up and bringing this debate to a close, I point out that it has been a good and positive debate to which many speakers from both sides of the house have contributed. I thank those honourable members for their contributions to what is unambiguously an important and historic piece of legislation. I repeat that most of the contributions have been very positive and constructive, although there were a couple of exceptions. The assertions by the honourable member for Warrandyte about this legislation and its purposes were just drivel. I thank the Parliamentary Secretary for Treasury and Finance, the honourable member for Dandenong North, in particular for his contribution to the development of this bill and for coordinating the debate.

In summary, I want to emphasise why the government is establishing the Essential Services Commission. The ESC was a key election commitment of the government to ensure the high-quality, reliable and safe provision of electricity, gas and water services for all Victorians. It is important that essential services are regulated under a framework that ensures the interests of private suppliers are aligned with those of consumers and take account of broader environmental and social objectives. The ESC will play a key role within this regulatory framework as the economic regulator for utility services. The ESC will be established on 1 January 2002, and I stress again to the house that its primary objective is to protect the long-term interests of consumers. We have not seen this in regulatory legislation before: it is a first. I believe it is an important, milestone decision that sets out the key objective of protecting the long-term interests of consumers. This will give a better balance between the issues of the price, quality and reliability of essential services.

I will not go to the key features, which were set out in my second-reading speech. However, I want to address briefly some of the issues that have been raised in the debate.

The opposition raised a number of matters concerning the ESC and water, and I understand that for them this is a major issue. The government has announced that the ESC will be responsible for the economic regulation of the water sector from 1 January 2003. However, as I pointed out in my second-reading speech, the new regulatory arrangements that will apply from that date have not been developed and finalised. Therefore the bill does not extend the commission's regulatory

jurisdiction to non-metropolitan urban water authorities or indeed to rural water authorities.

Under the ESC legislation the regulatory role of the ESC in relation to water will be the same as that currently undertaken by the Office of the Regulator-General. It follows that the ESC's role in relation to the regulation of the water industry cannot be extended to cover authorities currently regulated under the Water Act 1989 without significant legislative amendments. The new regulatory arrangements for water will be developed between now and 2003 in a consultative manner that will enable appropriate, considered and constructive debate on this important issue. I clarify that because many members have raised that concern. As the opposition and Independents are aware, I will be moving a minor amendment in the committee stage in relation to the water aspects which further clarifies that matter.

A second observation that was raised in the debate was that the bill does not deliver triple-bottom-line outcomes. Although the ESC's primary function is as an economic regulator, to a large extent it will deliver those triple bottom-line outcomes. It will do that by ensuring that all Victorians benefit from the commission's regulatory approach. The ESC's focus on long-term consumer interests recognises the importance of a regulatory environment that encourages optimal investment in utility infrastructure. By requiring the ESC to have regard to relevant legislative requirements and to enter into memorandums of understanding with other regulators, the bill ensures an integrated approach. I stress that because, in the past, those memorandums have been secret, hidden and not available to the public. Now they will be out there in the public domain. It is my view that the bill and its related reforms — including the consumer utility advocacy centre — will ensure a more inclusive approach to regulation.

I refer to some other claims that were made. One was that the ESC will not be accountable. That argument is not borne out. Indeed cost recovery under the commission will be applied in an equitable and transparent manner, and a review of the ESC will be completed within five years from the commencement of the ESC legislation. I know some people have said, 'Have an early review'. That was one of the issues that came from the National Party or possibly the Liberal Party. If you are putting in place new regulatory arrangements you have to let them have a period in which to work. The last thing you would want to do — and the worse thing from an industry point of view — is put in place major new legislation of this type and then say, 'We are going to review it in two or three years'. You cannot do that because it does not provide certainty in the industry. It will be a review that will be undertaken within five years.

Concerns were raised about reliability issues. While the ESC will obviously focus on those issues — and there are a number of initiatives in this legislation — the government has taken a proactive approach to improving security of supply by adopting a range of initiatives as outlined in the security of electricity supply task force report. The ESC will complement — and I stress 'complement' — rather than duplicate the roles of other bodies such as the National Electricity Market Management Company, the National Electricity Code Administrator and the Department of Natural Resources and Environment that are related to security of supply.

I believe the ESC can provide a leadership role on reliability of supply, but the government is determined with this legislation not to just duplicate existing processes but to complement them and provide some leadership focus.

Issues were raised about the consumer advocacy centre. The centre will not have statutory backing but will be established as a Corporations Law company. It will be independent of the government and of the ESC. The centre's board will comprise a chair and four directors appointed by the Minister for Consumer Affairs. The board will include directors representing consumers, and it will be advised by a consumer representatives reference group. This group will build on the membership of the Office of the Regulator-General's (ORG) consumer consultative committee and also on input from other representatives of rural, disabled and senior citizens as well as general consumers. I stress that the centre will not duplicate the role of the Energy and Water Ombudsman or other private community or government bodies but will develop an effective working relationship with those bodies. The Minister for Consumer Affairs will provide further details on this initiative.

To conclude on that aspect, it is important that consumers have a say. It is important that they have that centre, because it is good regulatory practice. We are providing $500 000 so that they will have a say. Whether it is the interests of rural consumers or particular small businesses, under this legislation and through the independent consumer advocacy centre those consumer organisations will now be better focused than they have been in the past.

The final issue I wanted to raise was — —

Mr Steggall interjected.

Mr BRUMBY — Yes, because it should be independent. They will report to her.

The ACTING SPEAKER (Mr Lupton) — Order! The Treasurer will address his remarks through the Chair.

Mr BRUMBY — The final issue concerned liquefied petroleum gas (LPG). The ESC will be established with jurisdiction over those businesses currently regulated by the ORG — namely, electricity and gas distribution, certain ports and grain handling services and rail access. And of course, from 1 January 2003 the ESC will also regulate water and sewerage services across the state. The government has decided that LPG will not be included within the jurisdiction of the ESC at the present time. Nevertheless, the government will give consideration to directing the ESC to conduct an independent review of the regulation of LPG. I have had a number of representations on that. We have looked at that closely and will give consideration to directing the commission to conduct an independent review of the regulation of LPG.

Finally I thank honourable members for their contributions to the debate. I thank the opposition parties, which I understand are supporting this legislation. This has taken a considerable amount of work. It is historic legislation. It is well planned, well thought through, based on sound public policy and makes Victoria unquestionably the leader in regulatory reform and new regulatory approaches to some of the challenges that we face in the 21st century.

I have said it before and I will say it again: I believe other jurisdictions and other states, and maybe other international jurisdictions as well, will pick up this legislation and many of the principles espoused in it, because it provides a model for regulating essential services that is superior to any we have seen in this state or across Australia.

I am confident of the legislation. I thank the parliamentary secretary, my department and others who have contributed to it as well as the industry organisations that have been strong in their support, particularly the Australian Council for Infrastructure Development. I look forward to the establishment of the ESC from early next year, including the new regulatory models, and the long-term benefits to Victorian consumers that will certainly flow from it.

The ACTING SPEAKER (Mr Lupton) — Order! As the required statement of intention has been made pursuant to section 85(5)(c) of the Constitution Act, I am of the opinion that the second-reading of the bill requires to be passed by an absolute majority. As there are less than 45 members present I ask the Clerk to ring the bells.

Bells rung.

Members having assembled in chamber:

Motion agreed to by absolute majority.

Read second time.

Committed.

Committee

Clause 1

Mr STEGGALL (Swan Hill) — I take this opportunity to respond to some of the points referred to by the Treasurer in his summing up so that we understand the state of play in some areas. Clause 1 sets out the purpose of the bill. I understand that it will set up the Essential Services Commission and a mirror operation of the Office of the Regulator-General, and that is accepted and supported.

Today the Treasurer has given notice of his intention to bring in legislation — I am pleased that he has; he has been very open with this bill — that will introduce the economic regulation of non-metropolitan urban and rural water authorities. It is on that area that I wish to put forward a point of difference. Our difference is, as was mentioned in the second-reading debate, that where a government-owned entity is the responsibility of a minister it should remain in that area. The Office of the Regulator-General was set up to regulate the privatised utilities, and to that extent it has done and is doing that well — and this bill continues that.

The point at issue is that in the country areas we had people marching in the streets at the end of the Labor years in the 1980s and early 1990s, trying to get their grievances heard on water pricing and the economic regulation of the water industry. That eventually was resolved with the McDonald report and the agreements that were entered into in this chamber. Parliament has played a major role in economic accountability and the transparency of the country water authorities — that is, the non-metropolitan urban and rural water authorities.

This Parliament has a role to play in that function where a totally government-owned entity is in existence. The wish of the Treasurer to take government-owned entities and put them under the economic regulation power of a third party, or the Essential Services Commission here, will be opposed very strongly by all of us in country areas. When we had the State Rivers

and Water Supply Commission there was no way that a person in my area, or in country Victoria, could bring a grievance to Parliament and have it heard by a minister who had the responsibility for those charges or the economic regulation of the SRWSC. That worked very well for 50 or 60 years, and then it changed. The two sides of politics worked very hard at the end of the 1980s to introduce the Water Act of 1989. We changed the wording right through it to make — —

An honourable member interjected

Mr STEGGALL — It had a few amendments, yes. We got the lot too. The only time the Parliament ever stopped was because the Clerks could not keep up.

The object there was to have the minister responsible. The act is written all the way through so that with water — it is and will be a very strong political issue that is important for all of us, and I am looking at this not for a Labor Party government or a conservative government but for any government in Victoria — if we have a system with a government-owned entity operating the utilities, as in these cases, the minister should be responsible.

We could not get to the SRWSC in its time on issues of price and economic regulation, and it became an absolutely farcical position. Believe me, as one who has been through a lot of debates in country Victoria over water pricing, I know that one of the weaknesses we had came from the historic structure where no minister in this Parliament was responsible for pricing regulation. That left it up to deals, which over the 60 or 70 years of its operation has led to an underfunded water sector.

We have worked very hard since 1992 to improve that — and we have come a million miles. I would be very happy to be part of the Treasurer's consultation, if he so desires. I was not part of the consultation leading up to this, nor should I have been, because as he said, it did not impact. If he wishes to travel down that line I would advise him to take good advice and not that of his economic regulators in the Department of Treasury and Finance alone. He has the same bureaucrats as we had in those areas, and they are spinning the same yarns to you as they spun to us. I just make the point that country Victoria has a totally different opinion to some of those people of wisdom who are giving him the advice they gave us. We had a long battle not to go down that path in the legislation for the Office of the Regulator-General.

I make these comments in good faith. If the Treasurer decides at the end of his consultation process to introduce economic regulation to the water industry on 1 January 2003 along the lines that this legislation proposes, we will oppose him at every turn and we will bring all of country Victoria with us.

Clause agreed to; clauses 2 to 6 agreed to.

Clause 7

Mr CLARK (Box Hill) — I invite the Treasurer to elaborate on one of the matters to which he responded in closing the debate — that is, the funding of the Essential Services Commission — and clause 7 seems as appropriate a clause as any in which to raise that issue. The Treasurer repeated the statements he made in his second-reading speech that there would be co-funding between government and industry on an equitable and transparent basis. However, he did not elaborate on what the principles would be by which the proportion of funding between government and industry will be determined.

He also did not address the concern that has been expressed by industry and to which I referred in my remarks in the second-reading debate about the growth in the overall cost of the commission and the amount of funding that industry is required to contribute. The government has said it will pick up the costs of establishment of the Essential Services Commission. I assume — hopefully the Treasurer will confirm this — that that is the cost of translation from the Office of the Regulator-General to the Essential Services Commission. However, in other respects industry contributions are continuing to rise.

The June proposal document issued by Treasury said there had been a cost recovery from industry of $4.1 million last financial year and that that was expected to be $13.7 million this financial year. That figure included one-off costs of $5.2 million connected with full retail competition, but that still means about an $8.5 million increase in the underlying cost recovery from industry. In his second-reading speech the Treasurer referred to an expectation that those costs would fall in future, but given that $8.5 million is the cost this year, even excluding the one-off cost of promotion of full retail competition, that seems a sizeable increase.

I invite the Treasurer to address, firstly, the principles on which the division between industry and government will be determined; and secondly, the reasons for the increase in quantum and the justification for the Treasurer's belief that that total cost will fall in future.

Mr BRUMBY (Treasurer) — I am not sure of the relevance of those comments to clause 7; however, I will make just two points. The detail of the cost-recovery and cost-sharing arrangements vis-a-vis the government and the Essential Services Commission are being further developed in consultation with industry and will be further developed, obviously, on the successful passage of this bill. That is the first point. The second point is that in relation to the costs of the operation, putting aside the question of where those costs are sourced from, whether it be government or directly from industry or the consumer, I made it clear in my second-reading speech that we would see the costs of regulation reduce over time.

Not too many other treasurers who have set up regulatory arrangements of this type have set out in a second-reading speech an objective that regulatory costs will reduce over time. The reason this government is doing that is because it has built into this model much more of an incentive-based approach with the focus being on the long-term interests of consumers. It is certainly my strongly held view that given the opportunity to succeed which we are now putting in place, companies operating in this industry in a regulated environment will make those optimal decisions, and therefore the need for a heavy hand of regulation will reduce going into the future. As that need reduces the overall level of regulation required should also reduce, and therefore the cost will reduce. I do not put a number on that reduction, but it is a long-term objective. It was certainly not part of the Office of the Regulator-General legislation, where we have seen a significant increase in costs over the years.

In summary, the detail is still a matter of consultation, but the long-term costs of regulation will reduce under this legislation.

Clause agreed to.

Clause 8

Mr CLARK (Box Hill) — I invite the Treasurer to address the definition of the term ‘reliability’ in relation to the role of the Regulator-General in ensuring reliability of essential services. The Treasurer touched on the issue in his reply when closing the debate, but he did not fully resolve it.

The question is whether the government has the view that the term ‘reliability’ in this legislation relates only to what the June discussion paper referred to as the standard of delivery of the product and does not regard the term ‘reliability of supply’ as including what the June paper referred to as ‘security of supply’ — namely, an overall balance between supply and demand.

Putting the same point in a different and perhaps more pointed way, one of the pledges the Labor Party gave during the election campaign and before coming to office was that it would guarantee reliable supplies of gas, water and electricity through an Essential Services Commission with tough new powers. I pose the question: does the government still stand by that pledge? In other words, does it still pledge that under this legislation it will guarantee reliable supplies of gas, water and electricity?

Mr BRUMBY (Treasurer) — These matters were addressed in my summing up, and as I said, the Essential Services Commission will focus on reliability of supplies issues. The government has certainly taken a proactive approach to improving security of supply by adopting a range of initiatives as outlined in the security of supply task force report. However, I want to stress — and I did this in my summing up — that the ESC will complement rather than duplicate the roles of other bodies such as Nemmco, the National Electricity Code Administrator, and of course the Department of Natural Resources and Environment as the now responsible department in terms of electricity and energy supply and broader issues relating to security of supply.

I have made it clear in a number of public comments that while in an ideal world the government would want to be able to guarantee those supplies, in the real world that is not possible. Many circumstances are beyond our control, including the federal regulatory arrangements, the Nemmco arrangements and other issues and considerations. I have made that clear previously. There is no new revelation in that. I made that clear in the first discussion paper I released on this and in subsequent discussion papers.

What I have also made clear is that this is a major step forward for our state in ensuring much greater reliability of supply. That will be achieved by the commission regularly reporting to government on security of supply issues and by arrangements within the legislation that enable the Minister for Energy and Resources to receive special reports from the Essential Services Commissioner on reliability of supply issues. When you put that together with the other initiatives the government has taken through the security of supply task force, it gives the government a much greater armoury and a much greater range of new initiatives and policies with which to tackle security of supply issues in this state.

I cannot give a guarantee, as I have said before, because of the federal circumstances or the interconnects between the states that go to issues beyond our control. However, from the perspective of the state government this legislation, together with the security of supply task force and the other measures we have taken, provides a raft of new initiatives to give us a much greater reliability of supply in this state than we would otherwise have.

Clause agreed to; clause 9 agreed to.

Clause 10

Mr HONEYWOOD (Warrandyte) — My concern relates primarily to clause 10(f)(i) and (ii). Given the previous Cain and Kirner governments' blatant use of utilities — the Gas and Fuel Corporation, the State Electricity Commission and so on — for soft political advertising purposes, I request from the Treasurer an undertaking for a budget for the so-called public education programs. If he is not willing to provide the house with details of an anticipated budget for such propaganda purposes, he might at least clarify under what circumstances the so-called public education programs would come into play. Would they relate only to a number of regulated industries, or would they be used for industries that he determines will be regulated from time to time? Why is the clause in the bill at all other than to give official sanction to soft political advertising?

Mr BRUMBY (Treasurer) — With respect, that is the greatest load of drivel I have ever heard in my life, coming from a member of an opposition that, when in government, had ministers who were past masters at using taxpayers money for political purposes. We all remember the extraordinary blow-out in taxpayer-funded advertising under the former government. Just about every piece of material ever printed had dozens of photos of ministers in it. I remember when in opposition we had to bring in a wheelbarrow because we had so much junk and propaganda produced by the former government that we could not carry it otherwise. I would have brought in a utility if I could have! That is what I needed, but I could only bring in a wheelbarrow.

What about the $100 000 for the book; do you remember that? What happened to it? The honourable member for Eltham said everyone loved Jeff Kennett so much he would find $100 000 and buy the book himself. I understand the cheque is still in the mail. We still haven't got the money! One hundred thousand dollars to write a grubby piece of propaganda!

What about the report that went into people's letter boxes after the budget; do you remember that? Every year after every budget every Victorian would get a personal letter from the Premier of the day. The government has cut back on political advertising. It does not matter how much the honourable member whinges, whines and moans about it, we have cut back. Clause 10 is about full retail contestability. It is about competition in the marketplace.

Mr Honeywood interjected.

Mr BRUMBY — You have lost the plot. Public control!

The CHAIRMAN — Order! The minister, through the Chair.

Mr BRUMBY — I suggest that as Parliament is not sitting next week during the school holiday period the honourable member should take a break. He should have a week off and get the stress out of his system so he does not make such inane comments in debate.

Mr STEGGALL (Swan Hill) — I take the Treasurer back to his comments on reliability of supply and the functions of the commission. It would be nice if the Treasurer could give some advice or provide an explanation. I am a little confused about whether the position of an Essential Services Commission on the reliability of supply will just become another opinion that the government will take into account when making decisions about supply matters. Does the Treasurer envisage the Essential Services Commission using its economic regulation powers to impose a more certain reliability of supply. The economic regulation area is undefined as yet in the legislation, but I ask him to explain to the house whether this will be just another opinion for the government to consider or whether the commission will have a proactive role in assisting in the reliability of supply, whether it is in gas, electricity or water.

Mr BRUMBY (Treasurer) — A similar question was raised a moment ago by the Liberal Party, which I addressed. I made it clear that the Essential Services Commission will have a leadership role which you could otherwise describe as a proactive role. I also made it clear that a number of other organisations, some of which have responsibilities across state borders, will have a role in this matter. It is not possible to usurp all those functions, but it is possible that the commission will have a strong position regarding reliability of supply. That is what is envisaged, and that is what is set out in the legislation.

Mr CLARK (Box Hill) — I would like to take up the matter raised by the honourable member for Warrandyte that provoked such a heated response from the Treasurer. I do not think members on this side of the house are in anyway suggesting, as the Treasurer implied, that from time to time governments should not use money to keep the public informed about their activities, nor that public authorities such as the Essential Services Commission should not use money for such purposes. Indeed, it is important that the commission fully informs the public about the move to full retail contestability and that it achieves its successful implementation.

The Treasurer made allegations about wheelbarrow loads of literature with various photographs in it. We could if we wanted spend the rest of the day having a wheelbarrow competition and exchange examples across the table. However, the present government has raised the deployment of ministerial photographs to an art form. I refer in particular to the Minister for Workcover who, so far as I know, is the first minister in the history of the state to get his photograph on the front cover of the annual report of the Victorian Workcover Authority.

There are two particular aspects relevant to the clause, the first of which concerns the increasing number of private entities involved in service provision. At least some ministers have found a novel way of circumventing whatever limits the Treasurer may have managed to impose on ministerial advertising budgets, namely — to get the private sector to pay for the printing and distribution of their colour photographs and political messages.

The Minister for Transport appears to have procured Yarra Trams to circulate in the Box Hill area a glossy brochure that not only outlines the tram line extension to Box Hill, which was something set in place by the former Kennett government, but also carries a colour photograph of the minister.

The CHAIRMAN — Order! I remind the honourable member for Box Hill that clause 10 has nothing to do with the Minister for Transport and various transport routes, so I ask him to come back to the clause.

Mr CLARK — These were apparently paid for by the private sector. That is the relevance to this debate, because the bulk of the funding of the Essential Services Commission is not coming from government coffers but is being paid by consumers of gas, electricity and water, users of the public transport system and users of ports and grain handling facilities. The honourable member for Warrandyte was perfectly entitled to seek some assurance that the funding being provided to the Essential Services Commission pursuant to clause 10(f) would not be used in a similar way. He was also perfectly entitled to ask for an indication of what sort of budget was intended to be devoted to those public education programs.

There is a further aspect that needs to be stressed in relation to the Essential Services Commission above and beyond other private sector involvement. The commission is intended to be an independent regulator — independent of government and commanding the confidence of industry and of the public. We would certainly not want political messages or photographs of the Treasurer, the Minister for Finance or other ministers incorporated in literature issued by the commission in a way that would appear to compromise its impartiality and independence.

These are matters on which the chamber and the honourable member for Warrandyte are perfectly entitled to ask for assurances from the Treasurer. I invite the Treasurer to give those assurances to the chamber.

Mr KOTSIRAS (Bulleen) — I would like the Treasurer, if he is able, to give a budget for the education program, especially in light of a glossy brochure issued by multicultural affairs with the minister appearing on every page. I would like the Treasurer to give a budget for this program.

The CHAIRMAN — Order! The Treasurer does not wish to respond. He is not required to respond.

Clause agreed to; clauses 11 to 91 agreed to.

Clause 92

Mr BRUMBY (Treasurer) — I move:

Clause 92, line 6, after "licence" insert "specified in section 17(1)".

This amendment to insert proposed section 12A into the Water Industry Act 1994 makes it explicit that a licence surcharge is only payable by the three metropolitan water retailers regulated under the Water Industry Act 1994 — that is, those licensees listed in section 17(1) of the act. The licence surcharge will not — I repeat, will not — apply to non-metropolitan or rural water authorities regulated under the Water Act 1989. This matter was raised with the government by the honourable member for Mildura. It was also raised by the National Party. The legislation is self-explanatory, but to ensure that there is absolutely no mistake or

misapprehension about it, I am moving this amendment to further clarify the position.

Amendment agreed to; amended clause agreed to; clauses 93 to 96 agreed to.

Reported to house with amendment.

Report adopted.

Third reading

The SPEAKER — Order! As there is not an absolute majority of the members of the house present, I ask the Clerk to ring the bells.

Bells rung.

Members having assembled in chamber:

Motion agreed to by absolute majority.

Read third time.

Remaining stages

Passed remaining stages.

GENE TECHNOLOGY BILL

Second reading

Debate resumed from 25 September; motion of Mr THWAITES (Minister for Health).

Ms McCALL (Frankston) — In continuing my remarks, which I commenced the other day — it seems ages ago — I would like to quote from the Biotechnology and Gene Technology Federal and Victorian Regulatory Framework. I am particularly interested in the definitions of two terms: 'gene technology', also known as genetic engineering and genetic modification; and 'biotechnology', a broad term used to describe the use of biological systems.

During the contribution I made on Tuesday I remarked on the issues and the great fear in parts of the community about our moving into a brave new world of technology where we would be creating super tomatoes or marching pineapples or something equally awful. It is consoling to the community to know that this regulatory framework coming from the commonwealth government will provide federal regulation:

> To protect Australia's public health and safety and our unique environment from possible negative impacts in the development and use of gene technology …

This is clearly because of the level of community concern about people having allergic reactions — presumably to super tomatoes — and about the social, ethical and moral issues related to humans playing God by manipulating the natural genetic structure of organisms. It is an interesting concept, and I am gratified to note in the detail of the legislation that among the most important things that will not be allowed to happen are human cloning and the mixing of human and animal cells, things currently prohibited by the Infertility Treatment Act of 1995. I hope that neither the federal nor the state government makes any move towards making them easier to undertake.

I am reminded of the great novels about genetic modification and genetic changes that have been around for a long time. I particularly recall one of my favourite stories as a child, *The Black Tulip* by Alexandre Dumas. In that story the great grower of tulips in Holland spent his entire life working on genetically modifying the organism of the tulip to create the first and only black tulip. Let us hope that in this move towards gene technology the state template we are debating today will reflect the excellent framework put in place by the commonwealth.

I have only one word of caution from the state's perspective. I note with interest that the Minister for Health will be the responsible minister in Victoria. That is excellent. It elevates the supervision of biotechnology and gene technology to one of the more senior portfolios. My only regret is that he is only a part-time Minister for Health, because he seems too often preoccupied with his other portfolio of planning.

I believe an area such as this, which is part of the brave new world and the march into the 21st and 22nd centuries, deserves the full attention of a full-time minister. However, I am satisfied with the framework and with the restrictions placed on the non-production of Dolly the sheep or anything else peculiar that may occur out of this move forward. The protection of the community is there. I therefore have no difficulty in supporting the bill, and I commend it to the house.

Mr ROBINSON (Mitcham) — In commencing my comments on the bill I do not profess to be an expert in genetic engineering; indeed, if my recollection is correct, my higher school certificate biology marks were a bare pass, and it is not an area I have revisited much in the time since.

However, this is a significant piece of legislation and a welcome one. The framework agreements which have been reached involving the federal, state and territory governments around the country have taken some two

or three years, and I know at times the states' — and in particular Victoria's — representatives on the various councils that have deliberated on the construction of this framework have been frustrated by the slowness of getting the agreements in place.

Nevertheless, they are now in place and we finally have a regulatory system for genetic engineering and technology emerging, and that is a very welcome thing. It is welcome because, as all members would attest, there has been a rising level of concern in this state and this country about the brave new world of gene technology. It is fair to say that although the concerns expressed in Victoria and across Australia may not have in them the same heat and may not be as widely based as concerns expressed in parts of Europe, they are serious concerns nonetheless and need to be acknowledged and addressed, and this bill in large measure does just that.

It is interesting to also note the reaction of many people in the Victorian processed food industry, in particular, to the rising level of concern by consumers as reported directly through consumer choice at supermarkets, and also through the newspapers and other media. Largely what they have done to respond to this is to say that they will insist upon no modified gene content whatsoever. This is a choice that often comes with some considerable financial cost to food processors, but I can attest to the sentiment and the firm resolve of leading food processors who sit on the Premier's Food Industry Advisory Council. They have made that choice based on what they understand to be a very clear preference of consumers, and that is entirely understandable and reasonable.

In this debate we have the opportunity at the same time, however, to reflect upon the potential benefits of gene technology and genetic engineering, and there are some considerable benefits, some of which have been recognised and some of which are possibly yet to be recognised. One potential benefit to the state of Victoria and indeed the nation would involve research into species of vegetation which might be adapted to allow more ready adaptation to areas of Australia that are badly affected by salinity. We have a serious salinity problem in this country, and there is widespread agreement that this will get a lot worse in the next 20 to 30 years before it gets better.

There are vast areas of Australia which are saline affected. Those areas will increase in size, and it is important, in working through strategies to address salinity, to identify more and more vegetation species that can be grown in those areas so as to accelerate the rehabilitation of that land. Genetic technology gives us an avenue to explore those options with greater speed than would otherwise be possible.

Similarly we can note some work going on abroad in the wine industry, particularly in the state of California, where vignerons have been concerned over the past few years about the spread of Pierce's disease. That disease is spread, as all members would know, by the glassy-winged sharpshooter — an insect which transmits the disease into the root systems of the grapevines, thus preventing the grapevine from taking up the water from the soil in the requisite amount, and the consequence is that the vine eventually dies.

The wine industry in California has taken great steps to eradicate Pierce's disease, but it is proving difficult. Quarantine arrangements are in place. The infestation levels required before quarantine is applied in the Napa Valley, for example, are not very high, and efforts are under way to find a treatment for this disease and the way it is spread.

I note an article in the *Straits Times* of 19 July this year which states:

> Researchers at the University of Florida, for instance, announced in May that they had patented a way to implant a silkworm gene into grapevines to make the vines resistant to Pierce's disease, a blight currently menacing vineyards in California.

So there are efforts under way to control the disease through the proper application of genetic technology and research which will provide substantial benefits around the world in the agriculture and land rehabilitation area.

The key to ensuring confidence in the regulatory system put in place by governments across Australia is to ensure disclosure. The public needs to always be assured that when people seek information they can obtain it. I note that division 3 of part 6 of the bill goes very much to that disclosure, with the creation of a register. I commend the minister for not only ensuring that public disclosure was a feature of the legislative framework in the numerous discussions that he and his representatives have had, and I commend him also on the work that has gone on elsewhere in the Department of Human Services.

To that end I note that a biotechnology safety and ethics unit has been established within the public health division of the Department of Human Services. This unit will be responsible for informing the Victorian community about the national scheme, and responding to public concerns about issues surrounding safety and ethics in gene technology. The unit has an important

role, therefore, and will go a long way to ensuring public confidence in the regulatory scheme.

This is a good, positive and productive bill. A number of constituents whom I have come across somehow think that the state Parliament's support for and hopeful passage of the bill represent a retrograde step and open up the door for all sorts of mad scientist-type scenarios; in fact it does precisely the opposite, and intends to offer quite strict regulation where it is required.

I commend the bill to the house, and congratulate the minister and all his staff and the departmental staff — people like Professor John Catford — who have been involved intimately over the past two or three years in bringing forward frameworks. I hope the bill will provide an even greater level of confidence to the Victorian community.

Mr PLOWMAN (Benambra) — I thoroughly agree with the member for Mitcham that this is a good bill. It is rare that I have that opportunity, but on this occasion I am happy to do so. However, the principal question surrounding the bill is not who should take the credit — and the honourable member was throwing out congratulations to the minister and his staff for the introduction of the bill — but rather how can we, as politicians on all sides of the house, from all parties, support our scientists in promoting what I believe are remarkable achievements in the advancement of gene technology in Victoria.

If you think about it, there have been very few breakthroughs in science with the same far-reaching ramifications and benefits that can match the extraordinary advances of gene technology and what the technology has achieved in such a short time. The biotechnology revolution would have to match the information technology phenomenon which has made such a great difference to our lives, and I believe that is in fact being matched by the extraordinary advances in biotechnology research.

The thing that is important is that we are up with world leaders in respect of this. If we as a country or a state have the courage to promote biotechnology and all that goes with it our economy will benefit enormously, as have the economies of those other world leaders in biotechnology, particularly Ireland, Canada and Finland.

We need to be able to mine our natural resources in this area. By mining our natural resources, I mean utilising our scientists mining the resource that they can give us. It is a golden opportunity, and in the field of gene technology we should do everything in our power to promote the work done by our scientists to ensure that this work is complemented by government support in conjunction with economists, ethicists and environmentalists, all working towards getting community support, because at the moment that is what we fail to have. We do not have community support for genetic engineering or for genetically modified organisms (GMOs), both of which are having an extraordinary effect on the whole population of Australia.

In the main the debate on genetically modified organisms has centred around agriculture and food production. There has been a continual outpouring of ill-informed criticism of the genetic engineering of agriculture products. I would like to put that into some sort of perspective. Notwithstanding the public controversy the impact on agriculture remains relatively slight. Most of the research into genetic engineering involves its use in traditional breeding techniques. Most genetically engineered crops in Australia are still in the experimental phase, and until two years ago only three genetically modified organisms (GMOs) had received approval for commercial use. The only crop grown in commercial quantities in Australia — certainly in significant commercial quantities — is cotton. You, Mr Acting Speaker, and I know the value of that crop as it has developed through the genetically modified protection that has been available to it.

In contrast to this rather slow take-up in the agricultural field, which has been inhibited by the level of emotional response by do-gooders in our community, there have been 3000 to 3500 GMOs released in Australia for other purposes. They do not get the same level of criticism, understandably, but it is hard to understand why we have the two aspects of community support on the one hand and community opposition on the other. Many GMOs promote advances in human or animal health. These improvements to health include improved drug design strategies, tailoring medical care to the genetic make-up of individuals, determining a person's likelihood of developing a disease, increasing the number of genetic tests available to a wider range of people, improving the diagnosis of disease — which means a diagnosis can be made much earlier after the onset of a disease — and increasing the ability to prevent diseases ranging from heart disease to cancer. They have also revolutionised the means by which pharmaceutical products are manufactured, in many cases bringing the costs of those products down to the range that all Australians can afford.

We have a responsibility to the 840 million undernourished people in the developing countries of the world and must better utilise the 3 per cent — only

3 per cent — of the world's surface that is arable. We can do that with the Australians who are currently up with world leaders in this research area. Biotechnology and gene manipulation can be used not only to increase agricultural productivity, as happened with the green revolution, but also to reduce the extraordinary losses caused by disease and post-harvest spoilage, particularly in those Third World countries. The house may be interested to know that those losses amount to between 30 and 60 per cent of total world production.

To give real examples of the benefits and potential benefits of molecular plant breeding I will quote selectively from a paper written by Bruce Stone, who is the assistant director of the Crawford Fund and Emeritus Professor of Biochemistry at La Trobe University in Melbourne. It states:

> At present, tolerance of glyphosate, gluphosinate or bromoxynil has been incorporated into a variety of crop, pasture and horticultural plants.

As a result:

> Damage by insect larvae can be extremely difficult to control … The soil bacterium *Bacillus thuringiensis* (Bt) produces a crystalline protein in the form of a pro-toxin associated with the spore of the bacterium. When the pro-toxin is ingested, the insect cells lining the insect's gut enzymes transform the protein into an active toxin which destroys their integrity.

That means simply that those insects die. The paper continues:

> The DNA coding for one such toxin has been identified and incorporated into plants (cotton and maize). Maize in particular is prone to caterpillar attack and conventional maize needs several applications of pesticide per season. Plants expressing Bt transgenes are almost completely resistant to caterpillar pests and deliver increased yields with less than half the normal pesticide usage.

It is interesting to note that it is estimated that the second round of Bt will reduce the use of chemicals on crops such as maize and cotton to 90 per cent less than what is used before molecular modification is made to those plants. The paper goes on to say:

> Fungal diseases, especially root pathogens are a major cause of crop loss. A good deal of research is currently in progress to incorporate into plants the genes coding for enzymes which attack invading fungal pathogens. This work is an early stage … When viruses invade a plant (often injected into the plant by insects such as aphids), the genetic material of the virus directs the plant's biosynthetic apparatus to make virus particles …
>
> This may kill young plants, but the older plants will be seriously affected and will suffer yield losses of 10–20 per cent. Molecular biologists have found that incorporation of specific viral genes into the plant genome protects the plant from virus attacks by inhibiting the replication and spread of the invading virus.
>
> …
>
> Environmentally there is a benefit because pesticide sprays to control insects which spread the virus are then unnecessary.

There is much more in this paper that I could quote, but in order to allow more speakers to speak I will leave it at that.

I also want to talk about transgenic breeding, which Mr Stone refers to quite extensively in his paper. I believe that in the future transgenic breeding will be the main weapon used to control weed populations that are currently out of control. A classic case is the invasion of blackberries onto public land in the medium and higher rainfall areas of the state. Transgenic breeding may even help overcome some of the more exotic animal diseases like foot-and-mouth disease, and it may even be our saviour from such diseases as ovine and bovine Johne's disease.

I also accept that we have a responsibility to ensure that the introduction of GMOs is environmentally safe and that there is a regime to protect the purity of plant and animal species. That will give confidence to the community that there can be no unexpected problems for human health as a consequence of the introduction of GMOs into the food chain.

I refer again to the contribution of the honourable member for Mitcham, who talked about public confidence. We must retain public confidence that the introduction of GMOs is safe. As I said, that is the responsibility of honourable members from all sides of this house. It is an advancement from which Victoria can benefit enormously, and it is up to us to promote in our communities the extraordinarily wide range of uses GMOs have for health purposes and for plant and animal production. This is what the federal legislation is designed to do, and I am delighted to support our state's complementary legislation. I believe it is fundamental to the success of the national approach that we ensure the protection of public health and safeguard the environment. I commend the Commonwealth Scientific and Industrial Research Organisation on its approach to this issue. Its research is outstanding and at the forefront of research worldwide.

This remains Victoria's choice, and it is the choice facing the government: do we promote the research into GMOs; do we promote their utilisation; or do we take the soft option and pander to the do-gooders in our community?

Ms BARKER (Oakleigh) — The purpose of the bill is to regulate activities involving gene technology. For such a fairly simple statement on its purpose, the bill is lengthy and fairly technical.

Before I make some comments on the bill I want to say that I have found the contributions to the debate from both sides of the house very informative. It is interesting to follow the honourable member for Benambra. I admire the technical knowledge many honourable members have, particularly in regard to genetically modified (GM) foods, which is a fairly contentious issue in some parts.

As I said, this is a lengthy bill, and I would like to note its six key aspects. Firstly, it establishes a statutory officer — the Gene Technology Regulator — to administer and make decisions under 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.

It prohibits persons from dealing in genetically modified organisms (GMOs) in research, manufacture, production, commercial release and import unless the dealing is authorised by a licence from the regulator; or it is a notifiable, low-risk dealing, as outlined in the bill; or it is an exempt dealing as prescribed in the regulations; or it is listed on the register of GMOs as a well-recognised, low-risk activity.

The bill establishes a scheme to assess the risks to human health and the environment associated with various dealings with GMOs and includes opportunities for extensive public input. We have all talked about how important that would be. Finally, the bill provides for the monitoring and enforcement of the legislation and creates a centralised, publicly available database of all the GMOs and genetically modified products approved in Australia, which will be known as the record of GMO and GM dealings.

As I have also said, this is a technical bill but a very important one. Many honourable members have touched on why it has been introduced and is now being debated. Of course we are aware that, until the passage of the commonwealth Gene Technology Act in late 2000, the control of gene technology in Australia was carried out on a purely voluntarily basis. The commonwealth act established the national regulatory framework, and many honourable members have spoken about the considerable period of public consultation that was carried out on a national basis prior to that bill being introduced and passed federally.

In line with the commonwealth act, it is recognised that without state-level legislation the national regulatory framework will not operate comprehensively, and that is why it is important that this bill is before the house. As many members have said, this bill will be part of and complementary to the national regulatory scheme, but it will ensure that we have a comprehensive regulatory coverage of all industries, universities and state research bodies that currently would not be subject to the same regulatory and public scrutiny of their activities as occurs at a national level.

Information given to me in the lead-up to the debate indicates clearly that there is a commitment by the commonwealth, the states and the territories to work together to develop a national approach to ensure the protection of public health and safety and the environment in the gene technology area. While I am not aware of the standing in all states, I am informed that Tasmania has already passed its state level legislation. In line with much of the discussion on genetically modified food, it is important to know that Tasmania has passed that legislation because we are all aware of the discussion and debate in Tasmania about genetically modified food. Having grown up in Tasmania, I am aware of that.

Mr Plowman — Now we know.

Ms BARKER — Now you know. As I said, it is important to note that this is a national approach and that we have moved away from a purely voluntary basis, which could not ensure rigorous assessment of the potential impacts of gene technology, an issue that is of concern in many sections of the community.

I have referred to the six key aspects of the bill. I also want to touch on the Gene Technology Regulator in part 3, clauses 27 to 30, which is also outlined in the second-reading speech. It is important for the community to be aware that the Gene Technology Regulator has strong functions and powers, which are outlined in the bill. I will refer to some of them.

Within the issuing of a licence the regulator will be required to prepare a risk assessment and risk management plan with respect to the dealings proposed to be authorised by a licence. The regulator must invite public submissions and may hold a public meeting on those risk management and risk assessment plans that are prepared. The regulator will be required to seek advice from certain agencies or bodies, which include the state, other commonwealth agencies, local government and its own scientific advisory committee. The regulator will be prohibited from issuing any licence unless she or he is satisfied that any risks posed

by the dealings proposed to be authorised can be managed in a way that ensures protection for public health, safety and the environment. Also, as outlined in clause 30, the regulator will have the independence to ensure that he or she can carry out those functions and powers adequately.

Many honourable members and members of the community continue to raise concerns about gene technology. The bill does not provide answers to many of the questions raised. As has been stated by other honourable members, it provides a regulatory framework to ensure any and all dealings with gene technology are subject to an appropriate level of scientific and public scrutiny to ensure that public health and safety and our environment are scrutinised and protected. It is important to emphasise that it will bring us into a regulatory framework.

Many more knowledgeable honourable members than I have spoken about genetically modified crops. Yesterday the honourable member for Frankston outlined what is currently on the public record — that is, that we have 66 field trial sites. As the honourable member for Benambra said, most of the issues around genetically modified crops are still in the experimental stage. On a number of occasions I have heard the Minister for Agriculture talking about the way we are moving towards or working on genetically modified crops or genetic-engineering-free zones. He has said, and I am sure others have heard him, that it is not the role of government to stand back and not be involved in the issue. It is something we must deal with, work together with and move forward on. The Minister for Agriculture released the consultation paper on genetic-engineering-free zones in March of this year. I understand there has been quite a response to that, with a report to be available in the second half of the year.

All honourable members recognise that there is much community concern about genetically modified crops. Governments cannot stand back and ignore the issues. Victoria has a great reputation on the production of food, which I have heard on many occasions and which I certainly support. Our clean-and-green emphasis must continue. We need to protect and enhance it.

Another issue, particularly in metropolitan Melbourne, is that of packaged food and whether it has a genetically modified content. It is unrealistic to say that we are not receiving into this state food that has genetically modified contents. The Bracks government has led the way in strongly supporting the labelling of genetically modified foods. A national genetically modified food labelling standard will commence on 7 December, where all food with more than 1 per cent genetically modified content will have to be labelled. That is extremely important. People can then make the choice as to whether they purchase that product. The community has strongly stated that it wants to know what is in a product, and wants it clearly labelled. I am pleased that Victoria, under the Minister for Health, has taken a strong lead in terms of developing a national food labelling standard.

The government and the community must consider how potential new biomedical therapeutic advances can be developed in a way that is ethically and morally acceptable to our community. Many honourable members have talked about the diseases and illnesses which the community confronts every day and which are now managed and/or treated because of advances in gene technology. The honourable member for Malvern yesterday referred to many, including hepatitis B, and HIV/AIDS in the future. Many people are concerned about gene technology, both here and internationally. Currently there is vigorous debate on the understanding of stem cells and their function. I will not enter that subject into the debate today.

The bill does not provide ready answers to all the matters raised; it provides us with the regulatory framework. We will have continuing discussion and debate on gene technology, and so we should. As I said, the bill establishes a system in which decision-making and compliance requirements for users of gene technology are transparent, where scientific risk assessment is rigorous and open to public scrutiny and in which the community can participate in the future direction of gene technology through comprehensive consultative mechanisms. I believe that is a good thing and I commend the bill to the house.

Mr KOTSIRAS (Bulleen) — I am pleased to speak on the Gene Technology Bill. I support the bill because of the enormous benefits it will bring to us all. The bill is essential, significant and important. The benefits of biotechnology can never be underestimated, and we cannot and should not try to stop scientific advances.

As other honourable members have stated, members of my electorate have come to my office concerned about the bill because the name itself conjures up human cloning and the creation of plants and animals that will one day destroy the earth — a brave new world. It was appropriate that I read to my constituents the minister's second-reading speech, which states:

> The community can be assured that this process will not in any way detract from Victoria's strict stance against human cloning or relax the legislative controls in place in this state to stop such practices.

The majority of my constituents are against human cloning.

As all honourable members know, plants and animals are made up of organs, organs are made up of different tissues, and tissues are made up of different cells. Cells are the basic unit of life. I refer back to my year 9 science class, where I was taught that Robert Hooke discovered cells in about 1665. Each cell is different. There are cells in the stomach wall which last for about two days, the red blood cells last for about four months, while brain cells are not replaced if they are destroyed.

Cells contain deoxyribonucleic acid (DNA); the gene is part of a cell's DNA and is located in a specific part of the chromosomes. There are 23 sets of chromosomes and over 80 000 genes in a human being. DNA is the blueprint of life, because it determines the characteristics of organisms.

In the past traditional and conventional plant breeding has often taken place — for example, to cross wheat that is resistant to disease with a high-yielding wheat. The practice is not new; it began, in fact, back in the mid-1800s when Gregor Mendel, a monk in the Czech Republic, started crossing peas. Unfortunately when he was appointed an abbot he did away with the experiments.

Genetic engineering is the insertion of one or more genes from one organism into the DNA of another organism. These organisms do not have to be of the same species, and that is where the problem arises. There is misinformation out there among our constituents, who are afraid of the brave new world. I knew my year 9 science lesson would come in handy!

Organisms that are created this way are referred to as GMOs, or genetically modified organisms. Why do we do this? There are a number of reasons, and according to the federal Office of the Gene Technology Regulator, there are a number of applications. Those applications include research in biology and medicine, agricultural applications, the production of therapeutic goods such as insulin, bioremediation and industrial uses.

There are a number of beneficial reasons why gene technology should be supported, but there are also a number of risks associated with the technology. Those risks include increased health risks, such as allergies; the possible unknown long-term effects, as we do not know what will happen in 5, 10, 20 or 30 years' time; the impact of plants with disease resistance; the potential of crops to become weeds or pests; and the potential for genetically modified animals to escape and become feral. There is a concern out there among our constituents, and it is important that we pass the relevant information on to them.

Prior to 2001 the development of gene technology was overseen by the Genetic Manipulation Advisory Committee, which had expert members who assessed the risks to human health. However, compliance with their recommendations was voluntary. The committee had no powers to enforce the guidelines. Everyone was confused: there was no certainty, no consultation process and no confidence in the industry. As a result, the commonwealth and the states agreed to develop a national system for genetically modified organisms. The commonwealth passed the legislation early this year, and the states were asked to pass similar legislation.

It is important that we have in place a system that is open and transparent. The bill will establish the Office of the Gene Technology Regulator, which will work with three advisory committees — the federal Gene Technology Technical Advisory Committee, the Gene Technology Ethics Committee and the Gene Technology Community Consultative Committee. There will also be the Ministerial Council of Gene Technology, on which Victoria will be represented by our Minister for Health.

The bill prohibits the use of GMOs unless a licence has been issued. Before issuing a licence the regulator has to consult with the state and commonwealth governments and local councils and also hold public meetings. Ultimately a licence will not be issued unless the regulator is satisfied there are no risks associated with its issue. The checks and balances are in place. I hope the government will strictly enforce this legislation in the interests of our health and the environment. I wish the bill a speedy passage.

Mr LEIGHTON (Preston) — I support the Gene Technology Bill. In thinking about not only the bill but about gene technology or genetic engineering in general, I — like many members, I am sure — have alternated between on the one hand asking, 'Do we want to allow the use of genetically modified organisms (GMOs) before we have had a full, ethical debate and before the implications are 100 per cent understood?', and on the other hand asking, as somebody who is interested in new technology, 'Do we embrace the technology?'.

I have come down on the side of supporting the bill for several reasons. Firstly, it is fair to say that in the area of new technology the law struggles to keep up with science. Scientific developments take such enormous strides these days that the law will always be behind. It

is incumbent on us as legislators to attempt to provide a regulatory framework, because the technology is here whether we like it or not.

Secondly, the other consideration I brought to this bill was as a member of the Economic Development Committee in the previous Parliament, which had before it a reference into medical and health research in Victoria. An important consideration for that committee was that Victoria led Australia in medical health research. With most of the leading institutes — the Walter and Eliza Hall Institute of Medical Research and the Macfarlane Burnett Centre for Medical Research and so on — being located here, it was clear that Victoria was getting the lion's share of national funding, and our concern was to protect that funding. As a state, we have to embrace and run with that technology if we are to protect our scientific base.

The bill does a number of key things: firstly, it establishes a statutory officer, the Gene Technology Regulator; secondly, it establishes a scientific committee, an ethics committee and a community committee; thirdly, it prohibits persons from dealing with GMOs in research, manufacture and production and for commercial release and import unless a dealing is exempt, a notifiable low risk, on the register of GMOs or licensed by the regulator; fourthly, it establishes a scheme to assess the risks to human health and the environment associated with various dealings with GMOs, including opportunities for extensive public input; fifthly, it provides for the monitoring and enforcement of legislation; and sixthly, it creates a centralised publicly available database of all GMOs and genetically modified (GM) products approved in Australia, known as the record of GMOs and GM product dealings.

The bill complements the commonwealth Gene Technology Act. I noted the role of the federal Labor opposition in forcing through a number of amendments to that legislation, such as the capacity to exempt certain geographical areas from GMOs. While the bill complements the federal legislation, it is worth pointing out that unlike the federal act it does not deal with human cloning, as we have already outlawed that under the Infertility Treatment Act.

In preparing for this debate I was interested to read that Switzerland, for instance, had already gone through this process in a major way during the 1990s. Under Swiss law any individual can force an initiative to be put to the vote if, over an 18-month period, they collect 100 000 signatures. That was done during 1994, and to the horror of scientists early polling was showing that a majority of Swiss electors would support the initiative, which would have demanded that the government outlaw the following: the generation, purchase or distribution of transgenic animals; the release of genetically altered organisms into the environment; and the patenting of transgenic animals and plants, or their components, and the relevant processes.

In support of that initiative a huge public advertising campaign was run, some of which included scare tactics. Ultimately, when the scientific community responded and put a stated and measured position, the initiative was defeated. I do not have time in this debate to go into the paper I am referring to in detail, but after an enormous public debate Swiss electors as a whole rejected the restrictions that the initiative would have imposed.

While it has provided a regulatory framework in the bill, I do not believe the government has yet come to grips with a number of the ethical issues. Honourable members have talked in this debate about modifying agricultural products with the organisms of animals. One example that was looked at was a fish — an Arctic flounder — which can tolerate very cold water because its blood contains natural antifreeze. The hope was that by implanting that gene in a tomato it also would be cold tolerant. At the very least, if those sort of products are to be released they have to be clearly labelled. What about people who have an allergy to fish?

Another one that has been worked on is transgenic maize, which contains protein from the whites of hens eggs, which makes the grain resistant to stored-product insect pests. I think there is a lot of work to do to ensure that such products are fully labelled, not only on ethical grounds but on practical health grounds.

You can argue that genetically modifying agricultural products will enable them to be resistant to pests without the use of insecticides. That is certainly true, but the reverse side of the coin — the risk — is that pests can build up a resistance to genetically modified crops, and there is some research that shows that such pests will mate with each other. There is a lot of work to do on how we respond to that. I understand one of the needs is to rotate crops between those that have been genetically modified and those that have not. In another paper I have read a lengthy ethical debate about eugenics. Coming from my cultural and religious background that is a proposal I abhor. I have not been able to resolve in my mind whether you can draw a distinction between eugenics and genetically modifying humans, even if the intention is the best — to deal with certain illnesses or disabilities.

I would like to say a number of other things but cannot because of the agreement on time, but I welcome the provisions in the bill which include very severe penalties — jail penalties. It is going to be important that the regulator is properly resourced and prepared to exercise his or her teeth, because I believe that in some ways we are moving ahead of the ethical debate and it is certainly going to be necessary to protect our clean-and-green reputation in agriculture. With those words I support the bill.

The ACTING SPEAKER (Mr Kilgour) — Order! I advise the house that by arrangement with the Chair the honourable member for Bentleigh, due to a medical condition, will not be rising in her chair to get the call and will be presenting her contribution from a seated position.

Mrs PEULICH (Bentleigh) — Thank you again, Mr Acting Speaker, for your indulgence, and the house for its indulgence. For the *Hansard* record, the medical condition is knee surgery, which makes — —

An honourable member interjected.

Mrs PEULICH — Obviously I have not been the beneficiary of any sort of genetically modified processes.

The ACTING SPEAKER (Mr Kilgour) — Order! The honourable member for Bentleigh should ignore interjections from the back bench.

Mrs PEULICH — Whether one supports genetic engineering or not, this bill is by all accounts probably the most important piece of legislation that any parliament could possibly debate. In the 21st century, when the pace of discovery and research in genetics is so rapid that we not only fail to understand the discoveries and their applications but the potential for the enormous degree of abuse of those applications, invariably all scientific discoveries have that potential. Discovering the genetic blueprint of organisms, including plants, animals, bacteria and fungi, certainly offers enormous benefits. By altering the gene content of an organism the production of specific proteins can be added or subtracted, strengthened or weakened through the genetic coding mechanism.

New proteins can be designed to serve an important purpose, such as pharmaceutical production, herbicides resistance, flavour improvement or growth stimulation. These are the areas of application that we all recognise have enormous potential to benefit society.

Of course there are more radical examples of genetic engineering. They include cloning and the mixing of human and animal genetic material, which is frightening to all of us. I am delighted that Victoria was one of the first states to ban cloning through the in-vitro fertilisation technology legislation. I am a strong opponent of cloning. I confess that although I recognise the enormous benefits of genetic engineering, I also have some huge doubts and concerns about the technology.

The national regulatory framework to which Victoria is a participant is long overdue. I think it began to emerge in the early 1980s. I understand that the commonwealth established a recombinant DNA monitoring committee some time in the early 1980s, which led to the regulatory framework being developed in collaboration with the states. This is the Victorian chapter of the template legislation.

Putting aside the economic benefit issues, there are three main concerns surrounding gene technology. They are the broad ethical and religious concerns regarding the manipulation of DNA; concerns about the safety of genetically manipulated foods; and concerns that damaging rogue genes could escape from commercial crops or animals into the natural environment.

The ethical, legal and social issues, in my view, need to be considered as quickly as they arise. Only today I read in the *Age* that scientists have unearthed the gene responsible for causing diabetes. The future application of this wonderful scientific knowledge could lead to the better treatment of and therapy for the many people who suffer from diabetes; but it could also lead to much more dramatic applications, such as removing the gene responsible for diabetes from a developing foetus. To what extent do we go down the path of manipulating genetic material and sifting out some of the diseases and conditions that may lead to better and healthier babies?

Other applications that people may shudder at have arisen from completion of the genome project and the full laying out of the human blueprint, which identified some 30 000 genes. There is a capacity to use that in all sorts of processes, such as in insurance cover, so people who have certain genetic flaws may be denied insurance or could be charged higher premiums, whether for health or public liability insurance. I am delighted that the national framework has been developed, but we will have to wait to see whether it will be appropriate. I imagine this will emerge over time and that it will need to be reviewed and monitored closely.

The bill establishes the Office of the Gene Technology Regulator, which will have a relationship with industry and institutions as well as the commonwealth regulators. Other honourable members have spoken about the three advisory committees to be established — one dealing with gene technology technical advice, another with ethics and the third with community consultation processes that feed into the Office of the Gene Technology Regulator as well as the Ministerial Council for Gene Technology. That also involves not just the federal government but the Victorian Minister for Health.

There is also a comprehensive regulatory framework for the processing of applications for the release and licensing of genetically modified organisms (GMOs) — of which there are some 3500 with or without conditions — and of course the enforcement by law of that licensing process. Whether one supports this or not or recognises the benefits and the potential of genetic engineering, there is no doubt that as legislators we must respond to it. To recognise the benefits we must prevent its abuse in the areas of research, health, agriculture, industry and primary production as well as its environmental benefits and detrimental effects and so on.

Of enormous concern to me and to many people in society are the various ethical and moral issues. I am delighted that Victoria has been so supportive in setting up a system that I think provides an appropriate level of scientific and public scrutiny to ensure the adequate protection of public health. Obviously these systems will emerge and develop over time. They will offer safety to our community as well as our environment.

As I said earlier, I only wanted to make a brief contribution. I have great delight in supporting a bill that the whole nation is supporting. Whether one is a supporter of genetic engineering or has enormous reservations about it, one recognises that we need a system to respond to it. I believe this is appropriate legislation, and I am happy to support it.

The ACTING SPEAKER (Mr Kilgour) — Order! I am sure the house wishes the honourable member a speedy recovery following her knee surgery. I hope she will soon be able to stand in her place to make her contributions.

Mr STENSHOLT (Burwood) — I rise to support the Gene Technology Bill and to commend the Minister for Health and the parliamentary secretary on their work in bringing it forward. It is an important bill that deals with the regulation of a key area of science and technology — in this case, advances in biotechnology. We are now seeing the interaction of scientific advances, government, business and community interests, and ethics. We need to continue to remind ourselves that we are dealing with change and with uncovering the genome and unravelling the double helix of deoxyribonucleic acid (DNA). With the creation of an effective system for the development and application of gene technologies, the operative approach should be encouragement matched with prudence, and initiative matched with commonsense.

In many ways, this is what this bill seeks to do. It aims to establish a commonwealth-wide consistent framework of regulation. It will provide certainty for research, allowing it to be conducted in a context of appropriate public scrutiny. In this case we are also seeing appropriate risk management. Make no mistake, genetic modification, and the application of research and development in biotechnology, is and will have a major impact on our daily lives. I know many other speakers have acknowledged this and have given various examples of how this will apply. That is particularly so in the field of medical science, where the isolation of genes that are involved with certain diseases carries the hope of eliminating or dealing effectively with those diseases.

In this regard I commend the excellent work of the many Australian biotechnology institutes, including those associated with my former university, Monash University. Of particular interest to the community is the possible impact on edible foods that may be genetically modified. For example, there is concern over genetically modified foods that are subject to extensive spraying with weed killers and concern over the possible effect on plant diversification, as indeed there was and continues to be over plant variety rights.

This bill provides a framework and a set of rules where there were none before. Other honourable members have given details of that, but the bill simply establishes a Gene Technology Regulator and committees — a scientific committee, an ethics committee and a community consultation committee — to oversight the area.

Debate interrupted pursuant to sessional orders.

Sitting suspended 1.00 p.m. until 2.05 p.m.

QUESTIONS WITHOUT NOTICE

Transport Accident Commission: financial position

Dr NAPTHINE (Leader of the Opposition) — My question without notice is to the minister responsible for the Transport Accident Commission (TAC). I challenge the minister to come out of his bunker and actually face the people of Victoria on this issue.

Honourable members interjecting.

The SPEAKER — Order! The Leader of the Opposition should address his question to the Minister for Workcover.

Dr NAPTHINE — Given the Transport Accident Commission's shocking report card, and noting the minister has presided over a $640 million blow-out in the TAC's bottom line, can the minister now guarantee that the premiums paid by ordinary Victorian motorists will not be jacked up to cover his financial mismanagement?

Mr CAMERON (Minister for Workcover) — You really have to say that the Leader of the Opposition has no idea when it comes to insurance. In the last financial year the Transport Accident Commission (TAC) made an insurance profit of $237 million. That is, if share markets and interest rates are the same as forecast, the $237 million demonstrates the strength and the solidity of the scheme. There are other factors, principally international equities, which have resulted in a drop.

The board of the TAC, which oversees the administration of the scheme, has been very prudent — its members have been prudentially sensible over the years. They have provisioned well with a good and strong solvency margin so that in the event of market volatility, which is inevitable — we might not like it but market volatility is inevitable — the solvency of the scheme will remain strong. As a result of that prudential approach of the board, which has served both previous and current governments very well, we have the case that when there is market volatility the TAC scheme remains solvent — and it remains very solvent. As at the end of June it was 115 per cent.

Dr Napthine — On a point of order, Mr Speaker, the minister was asked whether he would guarantee that premiums will not be jacked up to cover the fact that the TAC reports a $192 million loss!

The SPEAKER — Order! I will not continue to hear the Leader of the Opposition.

Mr CAMERON — As the board has made clear, and as I and the government have made very clear, when you have a good insurance result — and there is a good insurance result — there is no need as a result of the financial result of the last financial year to affect premiums. Premiums and benefits are not affected as a result of poor international markets.

Rail: regional links

Mr RYAN (Leader of the National Party) — Given that the government has now short-listed tenderers for the construction of the fast rail to regional areas project, can the Minister for Transport now confirm to the house that the $260 million of private funding required to ensure the project proceeds has in fact been secured, and if so, from whom?

Mr BATCHELOR (Minister for Transport) — The government has an exciting program to revitalise rail travel to provincial Victoria. This is a program to which we have committed $550 million. It will dramatically reduce travel times and as a result will increase patronage levels, economic activity, confidence and enthusiasm, and it will bring about a shift of population towards the corridors and localities to where this regional project has been allocated.

It is part of the government's Linking Victoria strategy, which is widely supported throughout country Victoria except by the National and Liberal parties. They oppose this program. People throughout country Victoria know that these fast-train projects are being brought to country Victoria by the Bracks government and the projects would be in danger if there were ever a re-election of a coalition government.

The first thing that we need to understand is that the biggest threat to these projects comes from the National and Liberal parties — they are opposing the projects. That is why they are asking these sorts of questions today. The second important fact — —

Honourable members interjecting.

Mr BATCHELOR — You can see — —

Honourable members interjecting.

The SPEAKER — Order! The Chair is having difficulty hearing the minister!

Mr BATCHELOR — 'Close down the train lines!', they say, because that is the only thing the National and Liberal parties know. We reopen train lines; the Liberal and National parties close train lines. That is their form; that is their history.

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

Mr BATCHELOR — Thank you, Honourable Speaker. The second point is that when we carried out the feasibility studies to investigate these projects, we identified target travel savings and allocated some $550 million towards those projects. The information that we have received from the rail projects group is that the $550 million will deliver between 100 per cent and 94 per cent of the targets.

We have called for expressions of interest and have received very good expressions of interest from the private sector. Not only have we got expressions of interest coming from leading Australian companies, companies that have been involved in these and other major infrastructure projects around Australia, but the projects are so exciting to the construction and financing industry that international companies and consortia have joined in. We are in the process of short-listing those and then we will call for requests for tender. It will be in that request-for-tender process that we will know what the private sector is prepared to put into the projects.

You would have thought that the Leader of the National Party would have a basic understanding of the tendering process, but clearly he does not. We are not able to respond to that question until the tenders have been closed, evaluated and announced, and that will happen next year.

We say to the National Party that we are prepared to provide it with the information once we have concluded the tender process. The National Party will see that, because of the $550 million, this project will deliver, on the basis of the information we have been given, between 94 per cent and 100 per cent of our targets. It will be a great boost to country Victoria.

I would have thought that the National Party would stop trying to oppose this project and support it.

Mr Ryan — On a point of order, Honourable Speaker, we have been going 4½ minutes and in terms of your direction that honourable members be succinct I think the minister's answer is no.

The SPEAKER — Order! The Leader of the National Party should not use the raising of a point of order to make a point in debate. There is no point of order.

The minister has concluded his answer.

Film and television: Victorian studio

Mr TREZISE (Geelong) — I refer the Premier to the government's plan to make Victoria the film and television production capital of Australia. Will the Premier inform the house of the progress of the government's drive for a new studio for Victoria?

Mr BRACKS (Premier) — As honourable members would be aware, during a recent visit to California the Treasurer and I pushed three particular industries for Victoria: information and communications technology; biotechnology; and film and television.

As part of that visit I announced that the government would have a film and television studio at the Docklands precinct to attract international films and to encourage domestic production in television. The studio would be built and undertaken with $40 million provided by the state government, but we would seek to have the fit-out and operation carried out by the private sector.

A call for expressions of interest in tendering for a studio went out and has now concluded. There was enormous and overwhelming interest from the private sector in that. I can also announce to the house that from those expressions of interest we have short-listed three companies to tender by the end of the year: Central City Studios, Melbourne Docklands Studios and Melbourne Film Studios. The backers of those bids are Victorian companies, including Multiplex, Leightons and MAB. I am very pleased that from the large number of expressions of interest we have three outstanding bids to select from. Construction is scheduled to begin in early 2002, with the studio to be fully operational by 2003.

The project will generate $100 million in film production annually in Victoria, and that is good news. It will create an additional 1000 film and TV jobs in Victoria, and in the construction phase itself it will create some 500 jobs. I welcome the big interest in this project, I welcome the potential tenderers, and I look forward to the conclusion of the tender process and the start of the project next year.

Transport Accident Commission: financial position

Mr CLARK (Box Hill) — I refer the minister responsible for the Transport Accident Commission, the Minister for Workcover, to the statement in the TAC's annual report by its chairman, Mr James McKenzie, that the TAC solvency margin at 30 June

was 15.3 per cent, a margin already dangerously close to the minimum benchmark solvency margin of 15 per cent. Given the recent collapse in equity values in world financial markets, is it a fact that the current solvency margin in the TAC is now below the 15 per cent benchmark set by the commission for being financially responsible?

Mr CAMERON (Minister for Workcover) — The board has, over the years, taken the approach that when there have been good returns as a result of good equity returns they are put in to build up solvency so that when there is a downturn the scheme is solvent. That is prudent, and something the very best insurance companies do, so that when markets are depressed the scheme can weather it and remain solvent and over 100 per cent. That is why that occurs.

As a result of events in America, markets around the world have had a significant drop. That has affected every insurance company and everyone with funds invested. It remains to be seen how quickly the world will recover, but it is extremely regrettable that the only people who take any joy out of what occurred on 11 September are opposition members.

Dr Napthine — On a point of order, Mr Speaker, the minister is debating the issue. The question was very specific. It referred — —

Honourable members interjecting.

Dr Napthine — I said 'debating'. The question was quite specific. It went to the solvency level of the TAC, where the chair of the TAC said quite clearly that a 15 per cent benchmark is a minimum reasonable standard for financial responsibility — —

The SPEAKER — Order! The Leader of the Opposition should come to his point of order.

Dr Napthine — The question was, 'Is the TAC now below that level?'. Answer the question!

The SPEAKER — Order! The Leader of the Opposition is clearly not raising a point of order. The minister, concluding his answer.

An Honourable Member — Is it solvent?

Mr CAMERON — Yes, it is solvent. The target solvency is over 15 per cent so that in the event of volatility the scheme remains solvent. The scheme is solvent.

Dr Napthine interjected.

Mr CAMERON — That is ironic coming from the Leader of the Opposition, given that he is the one under 15 per cent!

Ansett Australia: financial crisis

Ms GILLETT (Werribee) — I ask the Premier to inform the house of the latest action the government is taking to support attempts by Ansett Australia's administrators to get Ansett flying again.

Mr BRACKS (Premier) — I thank the honourable member for Werribee for her question. Along with most members of this house, I welcome the fact that Ansett Australia planes will fly again this weekend. It vindicates the position of the state government, which has never ever given up on Ansett here in Victoria. Contrast that, Mr Speaker, with the position of the federal government, which only two days ago through its spokesman, Mr Anderson, said effectively that the Ansett shell was a carcass swinging in the wind. That is what he said.

I welcome the fact that the administrator's visit to the federal government caused the federal government to change its position, to back the airline and to have it flying again this weekend.

If I may, I will recap on the measures taken to date before I announce the new assistance we will be giving Ansett here in Victoria. We have already provided — very soon after the collapse of Ansett — $10 million to the tourism industry, part of which will be used to encourage people to fly again with packages, incentives and support.

We are currently providing financial counselling to some of the affected workers. We have it in place now, and workers are being assisted and supported in planning their future through some of the work we are undertaking.

Thirdly, we are seeking buyers and working with the administrator to ensure that a long-term solution is found to have a third airline in this country. That is our policy, which is different to the policy of the federal government.

Today I announce further assistance we will be giving to the new Ansett as it flies this weekend. Today I have directed that all Victorian government flights for the next 12 weeks — that is to the end of the year and is the period in which the administrator has to get the airline flying again — on routes provided by the airline be taken with Ansett.

That direction will result in more than 4000 Victorian government flights directed to Ansett over the next 12 weeks. Initially the government flights with Ansett will be on the Melbourne to Sydney route and the Melbourne to Canberra route. The new initiative is forecasted to deliver to Ansett some 2539 seats on the Melbourne to Sydney flight and 1620 seats on the Ansett flights between Melbourne and Canberra over the next 12 weeks. This provides a fillip for the airline. It provides it with a guaranteed cash flow across government departments and agencies and ensures that there is value in the company for its ultimate sale to a bidder in the future. It will provide a revenue stream to Ansett and make it more attractive to prospective investors, and it will help get the airline up in the air for a buyer to take over in the future.

Snowy River

Mr INGRAM (Gippsland East) — Next week marks the anniversary of the announcement by the Victorian and New South Wales premiers on an agreement to restore environmental flows to the Snowy River. Will the Premier assure the house that all necessary Snowy corporatisation agreements will be finalised by 6 October 2001, and will he inform the house what action the Victorian government will take to ensure that the Snowy flows will be delivered if a full agreement cannot be reached by that time?

Mr BRACKS (Premier) — I thank the honourable member for Gippsland East for his question and his support for this very important initiative for Victoria, New South Wales and Australia. There is a signed agreement, an undertaking between the Victorian, New South Wales and commonwealth governments to return the Snowy River to a 28 per cent flow. This agreement is ready to be implemented and we also have agreement between those three governments on the details of the corporatisation proposals. The only outstanding matter is support from the South Australian government for 70 gigalitres flow to the Murray River.

That has been proposed by the three governments to assist not only the 28 per cent flow to the Snowy but also to assist in the environmental flows to the Murray River as well. Premier Olsen is yet to agree to the terms of this flow. This week I spoke to Premier Olsen about his concerns, and I am very optimistic that that will be concluded very soon. The Prime Minister has also written to Mr Olsen, urging him to sign the agreement between the New South Wales, Victorian and commonwealth governments, as has Senator Nick Minchin, who has also reached compliance and agreement with that undertaking.

I am optimistic that the South Australian government will support the arrangement between the three governments; but I can the inform the honourable member and the house that if, for whatever reason, the South Australian Premier chooses not to have 70 gigalitres of water going down the Murray and he chooses not to have those assurances or the agreement in the future, then we have contingency plans now drawn up with the commonwealth, New South Wales and Victorian governments to go it alone without South Australia. That advice has been received by me and the other governments.

We are hopeful of South Australia being a part of it because we would like to see the water flowing down the Murray and the Snowy; but if it only flows down the Snowy it is because of a decision of the South Australian Premier, Mr Olsen. In any event it will go ahead without him and without the flow to the Murray; but I guarantee the honourable member for Gippsland East and the house that we are committed to the 28 per cent flow of the Snowy, as was agreed between the governments, and we are committed to the full corporatisation of the scheme in the future.

Attorney-General: conduct

Dr DEAN (Berwick) — I refer the Attorney-General to his statement in the house yesterday where he claimed that all of his 11 taxpayer-funded trips to Melbourne were for legitimate, parliamentary purposes and I ask: can the Attorney now name the committee and colleagues who attended his four-day trip to Mornington in 1992, beginning Christmas Eve and including Christmas Day, Boxing Day, Sunday, 27 December, and Monday, 28 December, which happened to be the Boxing Day holiday?

Mr HULLS (Attorney-General) — As the honourable member would be well aware — or I hope he is aware — the guidelines that existed at the time when I was a federal member of Parliament made it clear that a senator or member was entitled to travel anywhere in Australia for purposes relating to parliamentary and electorate business. Any travel I undertook was well within the guidelines.

Honourable members interjecting.

The SPEAKER — Order! I ask the house to come to order, particularly the honourable member for Wantirna.

I call the honourable member for Dandenong North.

Dr Napthine — On a point of order, Mr Speaker, I just want to know which part of the electorate — —

The SPEAKER — Order! The Chair has not called the Leader of the Opposition and will not do so if he persists with raising points of order and then making remarks of that kind.

The honourable member for Dandenong North has the call to ask his question.

Business: capital expenditure

Mr LENDERS (Dandenong North) — I refer the Minister for State and Regional Development to this week's release of Australian Bureau of Statistics figures showing private and new capital expenditure in Victoria increasing by 7 per cent in the June quarter and I ask: will the minister advise the house of further new projects for Victoria during August and September, and their impact on the Victorian economy in terms of new investment and employment generation?

Mr BRUMBY (Minister for State and Regional Development) — I am happy to advise the house that this week's Australian Bureau of Statistics figures show that private capital expenditure grew by 7 per cent in the June quarter compared to 3 per cent nationally. I am also delighted to advise the house that throughout Victoria over the past seven weeks we have seen at least 23 new major private sector investment announcements across all areas of economic activity. The new projects represent what can only be described as an unprecedented level of new investment activity in Victoria. They include projects across Melbourne as well as Mildura, Wahgunyah, Bendigo, Shepparton, Gippsland and other parts of the state.

The projects include a $8 million investment by DSL Drum Services in Laverton North, the expansion of UR Machinery in Mildura, the $750 million Freshwater Place project at Southbank, the $30 million AAPT expansion at Richmond, the $20 million expansion of Synnex at Oakleigh, the $120 million Energex pipeline project in Gippsland, the $1 billion industrial park at Melbourne Airport, the $10 million Telford Building Systems new industrial estate at Shepparton, the $58 million Murray Goulburn project at Laverton, and the $160 million redevelopment at the former Russell Street police headquarters. I am happy to make the list of those projects available to the opposition, the purveyors of doom and gloom.

The 23 projects announced over the last seven weeks are worth more than $2.5 billion in new investment and represent more than 16 700 new jobs to be generated directly as well as the thousands that will be generated indirectly in our state.

The world is going through some difficult times, which we all know about. Now is not the time for the purveyors of misery and doom to run around this state talking it down. This is the best level of new investment in this state for a long time. The fundamentals of our state are very solid indeed. If I were to ask which state has enjoyed the strongest employment growth of any state of Australia over the last year the answer would be — —

Honourable Members — Victoria!

Mr BRUMBY — Which state has continued to outperform the national average for population growth?

Honourable Members — Victoria!

The SPEAKER — Order! I ask both sides of the house to come to order. I ask the minister to cease debating the question and to come back to answering it.

Mr BRUMBY — There is more. If you look at all the available data and ask which state is leading in terms of motor vehicle registrations, the answer is the same. If you ask which state is leading in the number of dwelling approvals across Australia for the seventh consecutive month, again the answer is Victoria. If you look at which state is consistently outperforming the national average on export growth, you find it is Victoria. Let's not listen to the clap trap from the opposition and former premiers out there. The state which is performing best — —

Honourable members interjecting.

The SPEAKER — Order! I cannot allow question time to proceed while the Chair cannot hear what is being said. I ask the minister to come back to answering the question.

Mr BRUMBY — As I said, in the last seven weeks we have seen at least 23 new projects, $2.5 billion in new investment and 16 000 new jobs. It is better than we have done before in this state, and it is better than we did under the former government. It is about time the opposition stopped running around and talking the state down and instead got behind the people of Victoria, who want to see new investment and jobs being generated.

Attorney-General: conduct

Dr DEAN (Berwick) — How short memories can be! I refer the Attorney-General to his statement to the

Victorian people in February 2001 that he would be happy to release his diaries relating to the 11 trips now under investigation by the federal police, and I ask whether he will now release these diaries to the Victorian people, and if not, why not?

The SPEAKER — Order! It seems to the Chair that the question asked by the honourable member for Berwick relates to events that are outside the jurisdiction of the Attorney-General. I ask him to rephrase his question.

Honourable members interjecting.

The SPEAKER — Order! I ask the house to cooperate by remaining quiet so the Chair can at least hear the question.

Dr DEAN — I refer the Attorney-General to a statement he made to the Victorian people in February this year, while he was the Attorney-General, that he would release to Victorians his diaries in relation to his trips. After having advised the Victorian people that he would release these documents and diaries, I ask whether he will abide by his words to Victorians and do so?

Honourable members interjecting.

The SPEAKER — Order! That part of the question that goes to the statement made by the Attorney-General in his role as Attorney-General is in order.

Mr HULLS (Attorney-General) — Regardless of how the honourable member tries to ask the question, the fact is he does not like the answer. The answer is, and will continue to be: every bit of travel that was undertaken when I was a federal member of Parliament was absolutely within the relevant guidelines.

Dr Napthine — On a point of order, Mr Speaker, on the issue of relevance, the question related to a statement made by the Attorney-General and a promise he made to release his diaries. The question related to whether he would release his diaries: yes or no. He did not answer that question, and I ask you to bring him back to answering it.

Honourable members interjecting.

The SPEAKER — Order! The Chair has already allowed the question to be asked. It will not allow the Leader of the Opposition to merely repeat it.

The Attorney-General has concluded his answer.

Public sector: capital expenditure

Mr MAXFIELD (Narracan) — Will the Treasurer inform the house of the latest information concerning the level of public sector capital expenditure in Victoria and how that compares to public sector capital expenditure in the last years of the previous government?

Mr BRUMBY (Treasurer) — I thank the honourable member for Narracan for his very well researched question. There has been some interest in this matter about the level of major new capital investment and some of the projects which are under way in Victoria. I am delighted to take this opportunity to advise the house of some of those statistics and projects.

Since coming into office two years ago the Bracks government has invested $3.1 billion in new public asset investment right across the state. It is an unprecedented program that lays the foundation for long-term and sustainable growth. This can be contrasted with the previous government's infrastructure investment in the last three years of the former discredited Kennett government: $2.9 billion. Here we are! There is more in two years from the Bracks government than there was in three years from the former Kennett government.

When the budget was brought down this year we said it was delivering for today and building for tomorrow. How right that strategy was! When you look at what has occurred nationally and internationally since then, you see our decision to provide an unprecedented 45 per cent boost in capital works projects across the state was the right long-term policy for our state. Absolutely correct!

Yesterday in an interview on radio 3AW the former Premier suggested that there were no major projects in this state and no freeways. I want to get the record straight on this. If you look around Victoria, you can see the projects under way under this government. There is stage 3 of the Eastern Freeway extension project — $330 million, under construction. The Austin Hospital redevelopment is the biggest public sector hospital project in Australia — $325 million, under construction. Rail extensions to Sydenham amount to $35 million. The tram extension to Box Hill amounts to $22 million. There is a $240 million black spot road program under way across the state. The new County Court project amounts to $140 million. Every time you walk down Lonsdale Street you can see $140 million worth of public capital works and private sector partnership under construction.

This nonsense about there being no projects, no freeways and no works is absolutely wrong. It is a partisan political statement from a discredited former Premier.

If you look in the health area — —

Mr McArthur — On a point of order, Mr Speaker, it seems to me that the Treasurer is now clearly debating the question. I suggest to you, Sir, that if he wants to debate Jeff Kennett he should get on 3AW and do so.

The SPEAKER — Order! There is no point of order.

Mr BRUMBY — I could go through more of the projects and list them, but I want to say that there has been expenditure of $740 million. Victorians said at the last election that they wanted a bigger priority for health, and they are getting it under the Bracks government — $740 million in the two budgets for capital works. If you look in the education area, you see there was more than $540 million in the first two Bracks government budgets. It means that one in three schools across the state are having some form of capital works upgrade improvement made to them. This is an unprecedented level of investment in our public education stock, and which government is making it? The Bracks government!

The question asked me to compare the levels of investment under our government with those under the former government. I remember back to the first term of the Kennett government. Not only was there no new investment occurring in this state, but Victoria lost 350 schools, which were closed by the former Kennett government. We lost 8000 teachers and of course we were losing 219 people a day to New South Wales and Queensland. We have turned that around. There is now an unprecedented level of capital works expenditure, and the government which is delivering it is the Bracks government.

Mr Ryan — On a point of order, Mr Speaker, on the issue of your direction that ministers be succinct, the Treasurer has been speaking for more than 4 minutes, and I ask that you have him conclude his answer.

The SPEAKER — Order! I do not uphold the point of order. In any event, the minister has concluded his answer.

The time set down for questions without notice has expired and the minimum number of questions has been dealt with.

Mr McArthur — On a point of order, Mr Speaker, I refer to a ruling given by the Chair on a point of order raised by the Leader of the Opposition a short while ago on the issue of relevance. In doing so he proceeded to try to demonstrate that the minister giving the response was breaching the standing order which relates to relevance. The Leader of the Opposition referred to the question and the way the answer was being given in an attempt to show that one was not relevant to the other.

In your ruling, Mr Speaker, you said an honourable member raising a point of order on relevance was not entitled to repeat the question. I ask that you examine the record when it is available. My recollection is that while the Leader of the Opposition referred to the question, he did not repeat it. I ask the Chair to consider how on an issue of relevance an honourable member can raise the point and argue relevance without referring to the question. It is impossible to raise relevance without at least referring to the question and to the answer that is being given in order to demonstrate that one is not relevant to the other.

The SPEAKER — Order! I will take up the suggestion made by the honourable member for Monbulk, give consideration to the matter he has raised and make a statement to the house.

GENE TECHNOLOGY BILL

Second reading

Debate resumed.

Mr STENSHOLT (Burwood) — The Gene Technology Bill is another example of the Bracks Labor government delivering today and building for tomorrow. As I have said, the operative approach should be encouragement matched with prudence and initiative matched with commonsense, which in many ways is what this bill seeks to do.

The bill establishes the Office of the Gene Technology Regulator and scientific, ethics and community committees to oversight this area, which have been expanded on by other honourable members. The bill also establishes assessment and monitoring mechanisms, as well as a central database. Most importantly it sets up a scheme under which genetically modified organism research, manufacturing, production, commercial release and imports can operate. As a state bill it complements federal legislation by ensuring that individuals, universities and state government research facilities are regulated. I know a bit about universities and research, and the bill

will promote good research in an appropriate regulatory environment.

In conclusion, there has been extensive consultation on the bill, which is welcome. It is consultation followed by action which is the hallmark of this government. I commend the bill to the house, because it is very much in line with good regulation and with promoting the advancement of science.

Mr WILSON (Bennettswood) — I welcome the opportunity to make a brief contribution on the Gene Technology Bill. The legislation covers one of the new and important challenges in the modern scientific world. The broad objective of the bill is to protect the health and safety of people and the environment by identifying and managing the risks posed by gene technology.

I am interested in the Labor Party's support for the legislation. My suspicion is that had the Labor Party not been in government it may have adopted a rather different approach from the one we have heard from members opposite in the debate over the past couple of days.

The bill is the Victorian response to the national system for regulating all activities involving genetically modified organisms. The complementary commonwealth legislation is to be found in the Gene Technology Act 2000. Because the commonwealth does not have the constitutional power to regulate all dealings with gene technology there is a need for a state act, thus this template bill.

I will limit my comments to the commonwealth–state structure and framework that will regulate gene technology in this state and throughout Australia. The first component of the new structure will be the political arm — that is, the Ministerial Council on Gene Technology. Victoria's representative will be the Minister for Health, and the lead agency in Victoria will be the Department of Human Services. The Department of State and Regional Development will take responsibility for the industry aspects of the bill, and within the Victorian public service there will be an interdepartmental committee to be chaired by the director of public health in the Department of Human Services — and that makes a lot of sense.

Other government departments and agencies to be involved include 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. I understand a specialist division has also been established in the Department of Human Services to oversee the Victorian code of ethical practice in this area.

The second component of the new structure is the Office of the Gene Technology Regulator, which will be based in the Canberra. This body will have a wide brief to oversee dealings with gene technology and will be supported by at least three expert committees.

The final component of the structure in this worthwhile system of checks and balances is the existing federal regulatory bodies, such as the Australian and New Zealand Food Authority, the Therapeutic Goods Administration and the National Health and Medical Research Council.

This is a good structure. It provides a framework to allow individuals, corporations and government agencies to face these complex and often controversial issues. I wish the bill a speedy passage.

Ms ALLAN (Bendigo East) — I am pleased to join the debate on this significant bill. Honourable members have heard from many speakers about the history of the bill. This is template legislation which mirrors the commonwealth Gene Technology Bill, which passed through the federal Parliament in June this year. It is part of a nationally agreed framework, and all states and territories are going through the same process as Victoria in adopting it.

There are two important points I wish to highlight. The bill ensures that there is transparency in the application of gene technology throughout the state, and it also provides security for the people of Victoria.

I will go into those two points in greater detail. The bill ensures there is an independent and national regulator of genetically modified organisms and that this regulator has the power to ensure that public health and safety and the protection of the environment are considered in every proposal that comes forward for the use of gene technology in this state.

This is very important because, as the house has heard from many other speakers, great concern is held in some areas of the community about the application of gene technology. We know that in the area of health there are many positive opportunities for gene technology, particularly in the areas where it enables people to have a better quality of life or, indeed, prolongs lives. However, it is in the area of the environment, and in particular in the primary industries, where there is the most community concern.

I have been contacted by a number of concerned people in my electorate of Bendigo East, and it would be remiss of me in my contribution to this debate not to refer to this community concern. A public meeting was organised by the City of Greater Bendigo to debate this matter; unfortunately, Parliament was sitting at the time and I was unable to attend. However, there was a great attendance at this public meeting in Bendigo and those present heard from a range of speakers both for and against the use of gene technology in Victoria.

It is important that honourable members continue to have a community debate and talk with people in our communities who are concerned about the introduction of gene technology and about genetically modified organisms in our food chain in particular. We must ensure that their views are not isolated and left to one side of the debate, because those views are legitimate and have every right to be expressed.

In Bendigo there has been much debate about the introduction of trial sites. The *Bendigo Advertiser* has reported on some genetically modified canola crops that it claims have been secretly grown for the past three years in and around the City of Greater Bendigo. That sort of publicity gives people even greater cause for concern if it means that gene technology and the use of genetically modified organisms are being conducted within a secret climate. It is important to provide a transparent process that can be worked through — this is one of the things the bill does — to ensure that members of the public who are concerned about genetically modified organisms in our food chain have the opportunity to express those concerns.

We also need a transparent process for companies that may be experimenting or progressing with genetically modified crops in our own communities — I refer in particular to the City of Greater Bendigo — to inform not only the immediate landowners in the area but the broader community more fully of where the crops are. We will only get progress on this issue when the companies and the community can have that sort of debate and discussion.

Until now there has been a climate of secrecy, and I am hoping that with the passage of this bill and with the introduction of an independent and national regulator we can start progressing some of those debates within our community. There is much to be gained from the introduction of this bill and from the advances we have already seen around us through technology and, in particular, gene technology.

However, it is with those advances in mind that I speak on this bill and express the concerns that have been conveyed to me by a number of people in our community. We must ensure that we bring the community with us through the debate and through the passage of this bill. I commend the bill to the house.

Ms BURKE (Prahran) — I rise to make some further comments in the debate on the Gene Technology Bill. I will confine my comments to my consultations with local government, as many other matters of community concern have already been debated by other speakers on both sides of the house.

My first point is about the role of local government in this bill. I hope and trust that the bill will not place a large burden on local councils which would be beyond their role as local government authorities. It is unreasonable for the government to place responsibilities on councils to report on issues in relation to which they currently have a lack of expertise. Local councils are not equipped to deal with these extra workloads, particularly given their lack of resources and funding.

An area which local government has been concerned about for some time, and that concern has increased over the past few years, is what local councils call unfunded mandates. Councils have to take on an enormous number of new roles each time a bill goes through Parliament because it is so easy for government to say, ‘We will let local government deal with it because it is the closest to the people’. However, the resources do not come with those new roles, which makes it very difficult for councils with their budgets and their lack of expertise on some issues, and this bill is a fine example of that.

There was also a discrepancy between the second-reading speech on the bill and what the bill itself says. In the second-reading speech the minister said that the regulator is required to seek advice from certain agencies or bodies, including local councils, yet in the bill the consultation is much less formal. The bill states in clause 47(4) that:

> The Regulator may consult —
>
> …
>
> (d) any local council that the Regulator considers appropriate;

The problem is that the second-reading speech says it ‘must’ consult. That might seem petty; however, the issue of not having funds to work through these responsibilities which will eventually be part of the act is one thing, but then to be told that the consultation process could be there or it could not be there makes local councils feel rather nervous. It is important if they

take on this role that they understand their responsibilities for it and that there are clear communication lines between the two levels of government if they are going to be partners in making sure that the requirements of the bill are followed.

The interesting thing about local councils, which I mentioned before, is that because they are so close to the people they are the ones who will pick up issues a lot earlier than the state health officers. The important thing is that that partnership is there, that they feel comfortable with it and that they do not feel used. The feeling they are getting now is that they are being used rather than working in that partnership relationship.

All honourable members understand about the funds; it is not easy, and we all struggle with trying to do more with less, but nevertheless it was important that that point of view came across in the debating of this bill.

Ms GILLETT (Werribee) — I am pleased to be able to make a contribution to debate on the Gene Technology Bill, and by way of background I will just outline that this proposed legislation gives effect to the government's commitment to participate in a single national system of regulating gene technology and genetically modified organisms and products derived from gene technology. Might I also say at the outset that this bill is critical to two sets of people in my community of Werribee: firstly, the fledgling Victorian Institute of Biotechnology, which is a joint project between Victoria University and the Austin Research Institute, will have its role enhanced and secured by this legislation, which outlines the rules and principles that will guide the development of the critical research that it will undertake.

It will also benefit enormously and give some certainty to the Werribee South farmers. The farmers who operate in the agricultural precinct of Werribee South will be assisted by the end products of the bill because this legislation can give some certainty to consumers at the end of the day. It will also be able to ensure that consumers can have confidence in the technology that Werribee South farmers ultimately employ as a direct result of the proper and appropriate national standards of research provided for in the bill. Consumers need to know that developments applied to our food and our crops are perfectly safe.

I would very much like to congratulate all of those who have been involved in the creation of a national system. There can be nothing more difficult in the federation than getting six state and territory governments and a federal government together to agree on moving forward in a harmonious way. Nonetheless, this has happened and they are to be congratulated. The aim of the proposed state and existing commonwealth legislation is the protection of public health and safety, and importantly the environment, from genetically modified organisms. The enactment of the commonwealth Gene Technology Act 2000 replaced the previous system of voluntary compliance — to what I think the chamber would know would be unenforceable guidelines — by those groups that are using this powerful technology in agriculture and in environmental and biomedical applications. The new approach makes formal a rigorous system of proactive scientific risk assessment and risk management planning and provides a formal mechanism for the community and industry to address ethical and other concerns related to this sort of technology.

This government, other state and territory governments and the commonwealth government are to be congratulated on working cooperatively to bring together this legislation, which sets critical national standards so that the benefits of this technology can be shared among our communities and the risks minimised. This is one of those areas where it is critical that the government has the role of honest broker and the organisation which oversights appropriate standards. If it did not take that role in this critical area, there would be the risk of the market determining matters without reference to any assessment of public welfare and public interest. Without those tests which obviously do not apply in the marketplace, our communities could run enormous risks, with this technology just taking off down a path based purely on profit.

This legislation balances that very important profit motive with the other motive of public interest. With those very few remarks I wish the bill well, and I commend it to the house.

Mr ASHLEY (Bayswater) — I am pleased to have an opportunity to join this debate today. This is one of the most profound bills. Its implications are more profound, and its consequences even more so, than possibly any bill that has been before us, certainly in my time in Parliament. Yet I find something disconcerting — once again, on a bill of such importance, debate is to some degree being truncated and limited. I think many people on both sides have things to say about this bill that they will not have a chance to say. This is not a bill that we are driving in for a grease and oil change; this is a bill which was initially drafted at the federal level and which has to do with uniform, stringent regulation.

This bill sets us at a critical point in time at the beginning of a process, not at the end where we are tidying up after events. That is why this bill is so critically important and why it should not be in any sense diminished, either in debate or in our estimation. This bill puts us at the cutting edge of science and technology. With this bill we are moving into a paradigm that basically has been little tested. It is a paradigm of what might be called technovolution or engvolution. This paradigm marks something quite different in the history of the whole development of the planet, and for this reason its implications are immense, both for good and for not so good.

There is at the heart of the planet's biosphere an almost instinctive urge, using emotional words, for diversity. That comes from the necessity for change and the necessity to respond to change, which has occurred as the eons have passed. It provoked Charles Darwin to say:

> It is not the strongest of the species that survive nor the most intelligent, but the ones most responsive to change.

The story of evolution is not the story of the survival of the fittest — that is, the most tuned-up or pumped-up — but the survival of the best fitted, because the best fitted are the species and the organisms that have been able to adjust to change. Out of the process of change has come a great sharedness in all life organisms. We have more in common genetically with plant life and other organisms than we ever imagined. It is out of that commonality that some of the interchange we may experiment with and test can take place. People are concerned about what happens when you get into the uniqueness of species and how you deal with it without trespassing boundaries you would otherwise have ethical deep breaths over. It might be said that all life is built upon a commonality of genes and that a tiny minority of gene clusters give each different species our uniqueness.

What has driven the development of this bill? There is a great need for the world to be fed with new medicines and nutritional food, and there is a great need for our community to be at the forefront of supplying those goods and benefits to humanity. As the honourable member for Werribee said, the bill is meant to calm the ruffled brows of those who are concerned lest the market run away with every product, every experiment and every manufacturing process without having regard for the benefits for the totality of the world and putting its benefit before theirs.

What are the arguments for the bill? The arguments for it and for gene modified organisms come from the fact, as I have said, that human life, plant life and animal life can be enriched through specific changes that we can bring to the gene life of particular organisms. The fears that roll up into our consciousness are predictable, just as anaesthesia was feared, immunisation was feared, pasteurisation was feared and most recently fluoridation was feared. There are all sorts of superstitions, outrages and mistrusts that grow with something new, especially something so new that it challenges the boundaries of science and the world as we know it. We believe the benefits so outweigh the perceived risks that, provided the government plays a role in the safe management and regulation of those areas, the technologies can be accepted. That is basically the case for the bill and for gene modification and engineering.

What are some of the arguments for the bill? The truth is that traditional or organic farming, no matter how desirable or laudable, will not be able to feed the world. Some people have argued that there is no significant difference between gene modified plants and similar plants created by using traditional cross breeding. There is also the argument that transferring genes from unrelated organisms to plants — stories of transferring fish genes to tomatoes and so on — poses certain risks. The counter argument is we share 50 per cent of our genes with bananas, so what is the problem? Others argue that gene-modified plants produce higher yields, that they grow in less favourable climates, that they require less ploughing and tillage and that they need less fertiliser, less pesticides and toxic insecticides, and so on.

Gene technology means less pollution, soil erosion and soil exhaustion, and it means that chemicals and all those things are not in the food chain to the degree they used to be — and in the end, it means less back-breaking work for humans and animals. They are laudable reasons for adopting the legislation and embarking upon a new age of gene modified organisms. Science has shown that there is a lot of toxicity in some existing foods that by gene snipping and splicing can be cut out. They have shown that there are real problems with natural varieties of potatoes and celery and that the selling of some of these foods in the past has been downright hazardous. So there are a set of arguments that put a positive spin on the story.

Again, what about the case against? It is something we must have a good look at and tease out, because this is where great anxiety is bred in those people who react negatively to the processes of this new world. In Europe there is great concern about gene modified foods to the extent that certain chains of supermarkets will no longer sell them. We are a small society up against a big world, and some people argue that by

going down the track of gene modified foods we may be cutting our markets rather than expanding them.

One of the concerns in this context was expressed by Julie Macken, who wrote an article in the *Australian Financial Review* of 20 January 2000:

> Despite the fact that more than 18 million hectares of US farmland are planted with GM crops such as soybeans, corn, cotton and potatoes, and that these crops are simultaneously described as both 'the cutting of the biological revolution' and 'the same old product', there have been no long-term studies done on the safety of any of these new crops. Not on humans, not on other crops and not on the impact on the ecosystem they inhabit.

Another person wrote in a similar article that:

> Elsewhere in the world, although notably outside Europe, transgenic agriculture is much more widespread.
>
> … in the UK, estimated that more than 40 million hectares would be occupied by genetically modified crops by the end of this year.

The article was written last year. Then there is the story of the scientist who found in an experiment that the immune systems of rats collapsed if they were fed GM-altered potatoes that I think had the Bt active agent insecticide implanted in them. Although he was pushed out of his job a number of scientists found that his findings were replicable. There is great concern across the world about things getting out of control.

I am hastening on because I am forced by the circumstances to ditch certain things I wanted to expand on. What do we do in such a complex area as transgenics, where we are cutting between one species and another? There is probably more alarm expressed here than is necessary. Bread wheat, for example, contains the chromosomal sets of three distinct grasses whose relatives grow wild in the Middle East even today. That is an example of an interspecies hybrid that is now one of mankind's most valuable crops. So let us not get too dismayed about transgenic activity.

On the other hand, the 1918 Spanish flu pandemic was recently found to have been the result of a mixture of genetic material from pig and human influenza viruses that somehow mixed together. That was before people started doing the mixing. That combination of genetic material killed 20 million people. Transgenic events will occur without human intrusion.

The only way forward then is to have a system of rigorous regulation, which needs to be underwritten by two further buttressing components. Firstly, we should take very seriously and proactively the task of archiving all our existing genetic materials — that is, those from before the techno-evolution revolution. We should get down and preserve as much of the existing history and heritage of as many species' products as we can amass — individual species, species that have come from crossbreeding, and pure breeds — from the full gene pool of plant life. Where necessary, if we have to produce it for another generation, we should hold it in place for reproduction in sterile circumstances so there is no chance of crosspollination or any other kind of random intrusion.

Finally, this issue is so serious and the development of this new paradigm of human existence so challenging that we should have standing committees of perhaps three or five members from all the parliaments around Australia involved in the biosciences and gene technology as a buttress to all the regulatory frameworks that the bill will put into place. The public needs to have that kind of reassurance.

Ms DUNCAN (Gisborne) — I also rise to speak on the Gene Technology Bill. Like previous speakers I see that we are at a precipice and that the bill is the beginning of what will be a long process. The bill mirrors existing federal legislation. Currently we have a system of voluntary control. The bill will result in Victorian legislation being consistent with national policy, and other states will follow. The bill meets a commitment of the Victorian government to be part of a national system of regulated gene technology, including genetically modified organisms (GMOs) and any other products that are derived through gene technology.

As I said, the bill mirrors the commonwealth Gene Technology Act 2000 and its associated regulations. As has been stated, the aim of the proposed state and existing commonwealth legislation is first and foremost the protection of public health and safety and the protection of the environment from risks arising from the use of gene technology or GMOs. The previously existing system of voluntary compliance and essentially unenforceable guidelines for the groups that are currently using gene technology in agricultural, environmental and biomedical applications is replaced by the commonwealth legislation. Most people would agree that the current system is unacceptable.

The national approach seeks to set up and formalise a very rigorous proactive assessment in terms of scientific risk and risk management planning and provides a formal mechanism for the community and industry to address ethical and other concerns about the use of the technology. As has been said by other speakers, those concerns are wide and varied. Gene technology is one of the issues that frequently divides the community between those who embrace all forms

of gene technology, whether in medical gene technology or food crops — some people consider it to be the best thing since sliced bread — and others who consider it a potentially very dangerous process that could have far-reaching effects. That is why the government advocates a cautionary approach to the new technology.

The bill has six key elements. Firstly, it establishes the Office of the Gene Technology Regulator to administer the legislation and make decisions under the legislation. It also 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. It prohibits persons from dealing with GMOs in research, manufacture, production, commercial release and import unless the dealing is exempt; is a notifiable low-risk dealing — that is, contains research work that has been demonstrated to pose minimal risks to workers and the general public or the environment; is on the register of GMOs as well as being recognised low-risk activity; or is licensed by the regulator.

The bill also establishes a scheme to assess the risks to human health and the environment associated with various dealings with GMOs, including opportunities for extensive public input. It provides for monitoring and enforcement of the legislation and creates a centralised publicly available database of all GMOs and genetically modified (GM) products approved in Australia, known as the record of GMO and GM product dealings.

The Office of the Gene Technology Regulator and the three advisory committees established under the bill are similar to those set up under the commonwealth legislation. There is no intention to introduce a separate state-based system for the regulation of gene technology. The bill just seeks to incorporate the provisions of the existing commonwealth legislation.

There has been a fair bit of public debate on the bill, and a number of people have been to see me in my electorate office about it. What seems to be of concern to people about the bill coming before the house is not so much what is in the bill as what is not in it — that is, a whole system of regulation.

As I said at the outset, the bill is but the beginning of a process; it is certainly not the end of it. Recently a number of government documents have been produced. One is 'Biotechnology: a strategic development plan for Victoria', a document that provides for the establishment of extensive public consultations in Victoria. There has been extensive consultation on the commonwealth legislation, and it is critical that the Victorian regulations also meet the needs and address the concerns of Victorians.

I point out some of the issues that have been raised about the bill. As I said, the level of community interest has been high and views range from those of people who think it is the best thing since sliced bread to those who have major concerns with the bill. We need to continue to address the concerns of all those different groups and to make sure that people feel very comfortable with the new technology. The previous speaker talked about the concerns raised about vaccines used in the past. A whole lot of medical technology causes people to be concerned — and rightly so. A cautionary approach is the way to go.

While there are without doubt great benefits in gene technology, particularly in the medical field, as I said, there are community concerns that we need to make sure are heard. Victoria is recognised as one of the world's five biotechnology locations so we need to make sure that we get all of the benefits of this technology but also ensure we protect ourselves against potential risks.

Significant public and private investment is being made in biotechnology in Australia and globally. We have to make sure that Victoria is well positioned in all of that. State and federal governments need to take this extremely seriously and position themselves for that future development. Embracing the technology without giving due consideration to managing and understanding its potential risks and to aligning its use to our community ethical values is not an acceptable option. The government will need to address the issue of how to facilitate a state agricultural profile which allows all types of production systems — conventional, organic or those based on genetically modified plants and animals — to coexist where there has been an appropriate consideration of how they impact on the environment and public health and safety, and that it should be done by way of regulation. That is a critical issue, because there are great concerns among organic growers that if they choose to remain GMO free they should be able to do that. It is one of the things that we need to consider for the future.

This is not the end of the process, it is but the beginning. It is setting up a skeletal structure that we will fill in with ongoing consultations and regulations. I commend the bill to the house.

Ms DAVIES (Gippsland West) — I am pleased to speak on the Gene Technology Bill. The preliminary section of the explanatory memorandum states:

> … the object of this Bill is to protect the health and safety of people and the environment, by identifying the risks posed by, or as a result of, gene technology, and by managing those risks through regulating certain dealings with genetically modified organisms (GMOs).

The bill sets up a regulatory framework for dealing with genetically modified organisms. Again I note that the preliminary section states:

> … where there are threats of serious or irreversible environmental damage, a lack of full scientific certainty should not be used as a reason for postponing cost-effective measures to prevent environmental degradation …

While the overall sentiments of that statement are admirable and certainly need to be followed, I worry about the concept of cost-effective and whether you work out that the environmental damage which may be caused is more expensive than the measures to counter that possible damage.

The framework provided in the bill aims to operate in conjunction with the commonwealth and other states — in other words, this bill is being brought forward because of agreement between the commonwealth and all of the states. The commonwealth Gene Technology Act 2000 was passed last year and came into effect in June of this year. At the moment we have no recognition of gene technology in Victoria's constitution. Controls are voluntary, and obviously that is not acceptable. This state legislation will mirror the federal act, except that Victoria already prohibits some experiments such as cloning and combining human and animal DNA, which apparently the federal act has had to do.

Victoria will have one representative on the ministerial council — that is, the Minister for Health — whose duty it will be to convey relevant issues, including policy proposals, to the ministerial council, which will be made up of members from all states. The Victorian minister, under this legislation, will be advised by a biotechnology safety and ethics interdepartmental committee and a biotechnology ethics advisory committee. There will be a unit to deal with these issues within the Department of Human Services.

A significant level of interest exists in the community about this legislation, as the previous speaker discussed, among both people who are very much in favour of genetic engineering and people who are very nervous about it. As I said, the system in operation at the moment is definitely not keeping up with the science, and a market-driven approach to this whole issue is not acceptable. It is therefore very important that this legislation be put in place, no matter whether or not you agree with the technology. I support the legislation.

The Gene Technology Regulator, which the bill will establish, must set out a risk assessment and risk management plan for any proposed dealing with genetically modified organisms. Risks to the health and safety of people and the environment have to be assessed and provided for in a management plan.

Earlier this week there was a rally outside Parliament of people who are against genetically modified products and crops coming into the marketplace. I accepted a petition from those people, which was not in a form that could be tabled in the house, but which I have nevertheless given to the Premier.

There were 5500 signatures on that petition, which had been collected in a very short amount of time. I think that is symptomatic of the level of concern there is out in the community about the dangers of this new technology. Some of the concerns that were expressed in the petition — or letter — that was given to the Premier involved the fear that once this particular genie is out of the bottle and into our commercial crops we can never get it back.

There is a fear that allowing commercial production of genetically modified crops puts our food supply, our agriculture, in the hands of very large multinational drug and chemical companies. The third matter of concern is market driven, and it is the acceptance that there is a huge demand across the world for GE-free food and that many markets are available to Australia at the moment because we are seen as clean and green. If we pollute our crops with genetically modified organisms we are not able to control the extent to which those crops may interact with and contaminate organic or other non-genetically modified crops.

We need to recognise that there are a lot of people who are very concerned and who would urge caution to the point of saying, 'Delay, do not do this bill. Let us wait and see further'. I think that to delay the bill would be counter to the intentions of those people and that if we understand those concerns that is in fact a reason to push the bill through now rather than later, because it sets up a national framework for starting to properly investigate all of these issues. I accept also that there are significant numbers of people, both in agriculture and in the scientific community, who are very supportive of the technology and believe it has great benefits for feeding the world's population.

So this will be one of those areas where there is significant community division and heightened awareness and anxiety in the hearts of a large number of people. I therefore urge all concerned with the oversight of this technology to take very great care. I

support the passage of the bill through the house at this stage because it sets up a national framework. I do not believe this is the type of issue that can be dealt with state by state; it is appropriate that we are taking a national approach. But I think it is very important that we all keep a close eye on the development of the technology to protect our environment and the future for all of us.

Mr SMITH (Glen Waverley) — I also support the Gene Technology Bill and will make a short contribution to the debate. I believe what we have to look at is where the scientists are coming from and to try, where possible, to give our support and guidance to the scientists. We have all grown up in the era of great Australian names like Howard Florey, who worked with penicillin; Sir Mark Oliphant, who was caught up during and after the war in the nuclear area and was one of the people involved in the development of the atom bomb; and Sir Ian Clunies-Ross, whose photograph appears on the back of our banknotes and who was head of the former CSIRO — all men of great integrity.

I remember once walking with Sir Mark Oliphant when he was Governor of South Australia. We were walking through a field with a group of people and came across an orange tree. There was a difference between the way he looked at the orange tree and the way the rest of us looked at it. He said, 'Look at the wonderful mistletoe growing on the orange tree'. I had never noticed mistletoe growing on an orange tree before. The trained eye of the scientist was there. When the scientists with the trained eyes also have high moral and ethical standards I believe our society is in good hands. We do not always know today whether the progress of science is in such hands.

The bill is template legislation. The commonwealth has spent a tremendous amount of time and effort formulating it and sending it around to the states, including ours. It is interesting to hear state ministers saying, 'Our minister did this or that to the legislation'. I suppose state ministers have helped with parts of the bill, but to take credit for it is a bit silly.

The point is that where we are going in science we have to apply a degree of restraint, as the honourable member for Gippsland West said a moment ago, but at the same time we have to believe in where we are going. I am motivated at the moment by my stepson's work, which is looking after a quadriplegic who is now 28 years of age and was knocked off his bike when he was 12. He is being looked after by the Transport Accident Commission. The poor fellow lies in a bed all day and every day. He can work his computer with his chin and his mouth — and he reads all this stuff. He believes, like the man who fell off the horse — the man who played Superman, I cannot remember his name — —

Mr Howard — Christopher Reeve.

Mr SMITH — Christopher Reeve, thank you. He also is desperately hoping that our scientists will be able to come up with some new genetic invention or development that will enable him to get the relief he wants. He wants to be able to walk again and make his arms and legs work.

When such people have this sort of faith in the future, it is incumbent on us to give the support to the scientists and the people who have the ability to create better things for our lives — provided, as I started by saying, that we have people of integrity and morality and whose ethics are right, like the three Australians I mentioned earlier who are on the world stage. They are an example for us; they leave us to go on to find a better quality of life than we have at the moment and give us great hope for the people such as the quadriplegic mentioned earlier.

Mr HOWARD (Ballarat East) — I am pleased to speak on genetic technology, which this government and governments right around the world need to deal with.

Having been a university student studying genetics I have a particular interest in this area of development. Certainly in my days at university I was excited by the opportunities that were available to us as we developed a greater knowledge and understanding of genetics. Clearly we have seen many opportunities develop for human kind as a result of scientists working on that knowledge. Our understanding of deoxyribonucleic acid (DNA), of genes and of the technologies involved in utilising them for a range of purposes has led to the generation of many benefits which we now regularly utilise in our community.

Those which we may not be so much aware of but which other speakers have discussed on numerous occasions include developments in the medical field, such as production of insulin, which today is able to be manufactured in greater amounts and more efficiently through developments in genetic technology. A range of other drugs that are used in the medical world are produced as a result of genetic technology. They have been of great benefit to people with a range of diseases and conditions.

When I was studying plant and animal production at university I saw great opportunities for developments using gene technology. There were opportunities to

produce new species and varieties of plants and animals by introducing proteins, which we knew would be of great benefit to man, especially with regard to food production. Some of those things have now started to happen. There are new types of plants available, and new animal varieties have been brought into the field.

What scientists are trying to do with gene technology is speed up what is in some ways a natural process. In fact all plants and animals raised for agricultural purposes today are significantly different from those that may have originally been on earth many years ago.

The current make-up of food and animals is the result of genetic modifications which have generally taken place naturally in a range of circumstances. There are always natural genetic mutations taking place in all plants and animals. Most of those genetic mutations do not survive, but periodically some do. Man has taken the opportunity to select out those variations, perhaps because they mean the production of larger or better tasting fruits. So the plants and animals we eat today are the result of genetic modification over a long period. What we now have available through greater scientific understanding is the means to speed up some of those processes. But as this legislation recognises, with any new science we have to be careful.

What are the effects of that new scientific understanding? We know, for example, that in Australia numerous mistakes have been made through a lack of understanding of our environment, including the introduction of new species of plants and animals from other parts of the world. We have seen a whole range of problems that were not foreseen when white man first came to the country and settled here. A range of weed and pest species have developed across Australia, which was not envisaged.

We need to be aware of those things. We know that initially scientists thought that the insecticides and pesticides they were developing for use in agricultural and other practices would be of great benefit, but later they came to understand that, for example, DDT and Agent Orange are quite harmful. There are a range of effects that go up the food chain which at first we did not appreciate, so it is important that when we make changes we are fully aware of the likely possible effects.

The bill will help to ensure that those balances are in place. We will have advisory committees that will have the scientific understanding, as well as the community input, to examine the ethical issues which need to be examined so that ministers can be given the best advice possible. We need to be able to keep a check on any proposed new organisms that people are wanting to either research or bring into this country as food, and we need to understand and be totally confident that we know what effects they may have and put in place any protection that may be required.

My own view with regard to food that may be developed through genetic modification is that, although there may be some concerns, I would be more worried at this stage about our use of some agricultural chemicals whose effects we still do not understand. We recognise that many people are now becoming more and more aware of the chemical problems associated with our food production, hence the opportunity for the development of a significant organic food industry within this state and in other places around the world.

Certainly we do not want to lose sight of the opportunity to promote Victoria as a producer of good, green, safe, healthy produce. We want to balance that up when we are considering any plans to introduce or trial genetically modified plants, because there is evidence of pollen transfer causing concerns that may flow on in ways we may not have initially expected.

There is a range of other issues associated with genetically modified organisms that the community and we as a government need to be aware of. They include issues of who owns any new plants and animals and the technology involved in their production, as well as ensuring that what is produced and made available is for the public good and not left in the hands of a small number of multinational companies, for example, who may want to use that technology simply to ensure that they maintain a dominant market share.

We want to ensure that any new plants, animals or other products are made available to the community based on a sound understanding of the effects they may have and the opportunities they provide to be used for the public good. We know that in the medical field a range of produced chemicals such as insulin are already out there. There is a range of other drugs which are regularly being used, leading to great advances in medical technology. There are also opportunities for producing food that may not require the use of agricultural chemicals. We need to fully investigate those opportunities because it may mean that we can reduce our use of chemicals in agriculture.

I certainly commend this bill to the house. I believe it has been well thought out.

Debate interrupted pursuant to sessional orders.

The DEPUTY SPEAKER — Order! The time appointed by the house for consideration of items on the government business program has now expired.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

INFERTILITY TREATMENT (AMENDMENT) BILL

Introduction and first reading

Received from Council.

Read first time on motion of Mr THWAITES (Minister for Health).

Second reading

Mr THWAITES (Minister for Health) — By leave, I move:

That this bill be now read a second time.

Victoria leads Australia with its comprehensive legislation regarding infertility treatment. To continue to serve the people of the state well, there is a now a need to streamline and refine some provisions of the legislation to reflect current issues and practice, and to make its operation more efficient.

This bill makes those changes.

The bill proposes the amendment of section 13 of the act. Currently this section provides that where one partner of a married or de facto couple wishes to donate either sperm or eggs, the other partner must consent to the donation.

The amendments will remove the requirement for spousal consent when the donor and spouse have ceased to live together as husband and wife on a genuine domestic basis.

At times, women altruistically donate their eggs to family members such as sisters or cousins who are unable to conceive. Some of these donors are permanently estranged from their husbands although for a variety of reasons both social and religious they are not, and never will be, divorced. Section 13 has prevented women in this situation from donating eggs. It would seem sensible to amend this section which disadvantages women who are legally married but permanently separated in relation to other women who are divorced or single.

The current act provides that a child who is born as a result of a donor procedure may, on reaching the age of 18, obtain the name of the donor of the sperm or egg that was used in the treatment procedure. This provision was enacted in 1995.

In addition, a further provision was enacted to establish a register known as the voluntary register. It is described in section 82 of the act as a donor treatment procedure information register. This register contains information provided on a strictly voluntary basis by donors, donor offspring and their descendants, recipient families and other family members.

The purpose of this register is to establish a voluntary recording mechanism for those people who have been involved in donor procedures provided under the act, and who wish to create an opportunity to make contact with those biologically related to them. This register complements the role of the more formal registers under the act.

Due to the nature of transitional provisions such as section 181(9) in the 1995 act, it is proposed to amend section 82 to include those involved with procedures that took place prior to 1 July 1988. These persons have been unable to place voluntary information about themselves on the register.

The bill remedies this. It will enable donors, donor offspring and others involved with procedures that took place before 1 July 1988 to participate on the voluntary register on the same terms as those involved with procedures that took place after that date. It will enable them to enjoy the same benefits. Currently this group has no legal means of accessing such information.

The bill also makes necessary consequential amendments to ensure that the authority can release information from the register to those who voluntarily place information on it.

These amendments ensure that everyone involved in treatment procedures has equal opportunity to share and exchange information via the voluntary register.

The register is akin to the means by which adopted children or their adopting parents have been able to obtain information and, in many instances, meet years after the adoption occurred.

The voluntary register allows for information to be placed by relatives of a donor or child. This means that where a donor has died or does not wish to be found, those relatives may still indicate that they may be happy to provide some information. However, information about relatives can only be obtained with their consent.

It must be remembered that this register is entirely voluntary. Stringent consent and counselling requirements govern the access to other registers.

Currently, the act prohibits the use in a treatment procedure of sperm and eggs from a donor who has died and the use of embryos formed using the sperm or eggs of a donor who has died.

The bill removes the prohibition on the use of embryos formed using the sperm or egg of a donor who has died. The bill does not remove the prohibition on the use of gametes (that is, sperm or eggs) of a person who has died.

In the case where an embryo has been formed, the person who produced the other gamete used to form the embryo, in most cases the mother, has a large interest in and expectation about the future access to the embryo. There is a very strong case for preserving the embryo to allow the mother the opportunity to have it implanted, rather than have the embryo destroyed.

The principal reason underpinning this amendment is to allow the use of embryos created with the sperm or egg of a donor who has died. For example, it will allow a couple who have received successful infertility treatment and who wish to have a sibling of the first or second child to have any further embryos, already created with the donor sperm or egg, implanted, despite the death of the donor.

Another result of the repeal of this provision is that a widow who had already commenced infertility treatment before her husband died will be able to have implanted the embryos created with his sperm and her eggs before his death.

The act outlines extensive requirements with respect to consent and counselling of all donors and persons in treatment. Each person's circumstances will be a factor in such counselling.

It is a sad fact that parents of children and donors may die during a pregnancy or childhood and some children will never know their biological parents. Given that the embryos in the circumstances outlined above are already formed, and if born will know one of their parents, this amendment is proposed.

The provision for access to information about the donor remains unchanged — that is, a child born as a result of the donation will be able to obtain the name of the donor, despite the donor's death, once they reach the age of 18 years.

If a child wished to obtain further information, he or she will be able to find out if any information about the donor or their relatives is on the voluntary register. This can only occur if that information has been placed on the voluntary register.

It is important to remember that anyone wishing to obtain information from the central register, which contains the name of donors, including a donor who has died since the embryo was created, must receive counselling before any information can be released by the authority.

There is no intention to remove the prohibition on the use of the sperm or eggs of a donor who has died. The act will still not permit the creation of embryos using the sperm or eggs of an already deceased person.

In summary, this bill allows all Victorian donors or children born as a result of a treatment procedure to voluntarily place or obtain information, if available, from the donor treatment procedure register, even if the treatment procedure took place before 1988. This enhances the ability of this group to access information about their biological parents or children.

It also removes barriers to egg and sperm donation for a small group of people who are no longer living together with their spouses.

Finally, it allows the transplantation of embryos when a person whose eggs or sperm were used to form the embryos has since died.

I commend the bill to the house.

Debate adjourned on motion of Mr DOYLE (Malvern).

Debate adjourned until Tuesday, 9 October.

MARINE SAFETY LEGISLATION (LAKES HUME AND MULWALA) BILL

Second reading

Mr BATCHELOR (Minister for Transport) — I move:

That this bill be now read a second time.

This bill provides for improved marine safety in Victoria and New South Wales (NSW) through the introduction of corresponding legislation for marine safety on Lake Hume and Lake Mulwala.

The NSW/Victorian Border Anomalies Committee identified the need to rationalise enforcement of marine safety legislation on Lakes Mulwala and Hume as the state border is submerged beneath the waters of the lakes. In these circumstances it is unclear to boaters which state law they must comply with.

The Victorian and NSW governments have agreed to overcome these anomalies through the rationalisation of enforcement of marine safety legislation on Lakes Hume and Mulwala.

To address the current confusing situation, the NSW/Victorian Border Anomalies Committee in consultation with appropriate state government agencies, proposed that New South Wales law will apply to:

all of Lake Mulwala and that part of the Ovens River north of the Murray Valley Highway Bridge and also known as Paralos; and

the section of Lake Hume upstream of Bethanga Bridge.

Victorian law will continue to apply on the remainder of the Ovens River and on Lake Hume downstream of the Bethanga Bridge.

Under the agreement, officers of the Waterways Authority NSW will undertake the primary enforcement role. Victorian enforcement officers (Victoria Police and other authorised officers under the Marine Act 1988) will also enforce NSW boating safety laws in those areas that have been designated to have NSW laws applied to them.

The differences between NSW and Victorian boating laws are minor, with mutual recognition of boat operator licences and boat registrations in both states. The main differences relate to licensing, where in NSW only operators of vessels travelling over 10 knots require licences, whereas in Victoria all powered recreational boat operators will require a licence.

The Marine Board does not envisage any safety problems in terms of on-water safety and as such, the main benefits would be greater certainty for boaters about the applicable law and more effective enforcement.

This legislation has been developed for introduction in the spring sittings 2001, both in Victoria and NSW, to enable the revised marine safety legislation to be in place for the 2001–02 boating season.

The legislation is a sensible approach to overcome the present confusing and administratively difficult situation. The agreement by both governments to proceed with corresponding legislation has been well received by the boating community. A community consultation campaign will be put in place to explain the benefits of this initiative.

I commend the bill to the house.

Debate adjourned on motion of Mr DOYLE (Malvern).

Debate adjourned until Thursday, 11 October.

BUILDING (AMENDMENT) BILL

Second reading

Mr THWAITES (Minister for Planning) — I move:

That this bill be now read a second time.

The main purpose of this bill is to amend the Building Act 1993 to change the title of the Building Control Commission to the Building Commission; to streamline the processes involved in applying, adopting or incorporating planning schemes into the building regulations; to widen the classes of person who can be appointed as members of various bodies established under the act; and to make other improvements to the operation of the act.

The amendments dealing with the application, adoption and incorporation of planning schemes into the building regulations underpin the government's Rescode initiatives.

In August 2001, the government implemented its new residential code for Victoria, known as Rescode, delivering on its pre-election commitment to produce a new comprehensive residential code. Rescode is a package of tools, implemented through the planning schemes and building regulations, to manage residential development. Key aspects of Rescode include a focus on protecting and enhancing neighbourhood character, protecting the amenity of residential properties and providing certainty and consistency in approvals processes. These are achieved through the application of consistent standards across the building and planning systems and enabling councils to vary some standards, whilst retaining existing approvals processes. Rescode has been implemented with overwhelming support

from key stakeholder groups, reflecting the benefits of the government's commitment to extensive consultation.

In order to effectively implement key amenity concepts, which are part of Rescode, it is necessary to incorporate certain provisions of planning schemes into the Building Regulations 1994. These provisions are the schedules to residential zones, which enable councils to vary the six Rescode standards relating to street setback, building height, site coverage, side and rear setbacks, private open space and front fence height. Ordinarily, where documents are applied, adopted or incorporated by reference into regulations, section 32 of the Interpretation of Legislation Act requires that the relevant document be tabled before Parliament, and copies to be held for public inspection by the relevant department. The purpose of these requirements is to ensure that incorporated documents are publicly and readily accessible.

In the case of planning schemes, the requirements of section 32 of the Interpretation of Legislation Act would duplicate the provisions of the Planning and Environment Act 1987, which require planning schemes to be made available at both council offices and at the Department of Infrastructure. Further, because planning schemes are frequently amended, again following extensive community consultation, the requirement that every amendment also be tabled would result in significant administrative costs, without public benefit.

For these reasons, and to facilitate adequate cross-referencing and consistency between planning schemes and the building regulations, the bill provides that section 32 of the Interpretation of Legislation Act does not apply where provisions of planning schemes are applied, adopted or incorporated by reference into the building regulations.

The bill provides a limited exemption from preparing a regulatory impact statement in relation to regulations which apply, adopt or incorporate planning scheme provisions into the building regulations. Planning schemes and planning scheme amendments are subject to extensive public consultation, which would be duplicated by continuing to require a regulatory impact statement for such regulations.

The bill also includes additions to the regulation-making powers to enable regulations to be made setting the fees to be charged by councils asked to give their consent and report on building matters under Rescode.

The bill amends the regulation-making powers in relation to swimming pool construction and fencing. The government has recognised the significant level of community concern regarding the dangers posed by pools that do not comply with swimming pool safety provisions. Since coming into office, this government has maintained its commitment to this issue through public awareness campaigns and media releases in order to keep the issue on the agenda. The amendments contained in the bill will enable regulations to be made imposing a penalty of 50 penalty units for non-compliance. The present limit is 10 penalty units which is manifestly inadequate.

The bill contains a number of administrative amendments that will improve the operation of the Building Act. These include:

changing the name of the Building Control Commission to the Building Commission in order to better reflect its role of leadership and regulation rather than control of the building industry;

extending the membership of all the statutory bodies created under the Building Act to include community representatives and representatives of the legal profession;

providing that a builder must not carry out domestic building work under a major domestic building contract unless the builder is registered as a domestic builder in the appropriate category or class;

enabling the Building Practitioners Board to conduct inquiries into the conduct of registered building practitioners whose registration has been suspended;

enabling municipal building surveyors to delegate their functions and powers under the act to a qualified person employed in or engaged by the municipal council; and

providing the ability to enable a building notice or order that is made in relation to building work on Crown land to require the lessee or licensee of Crown land to evacuate the site or carry out building work or other work.

These administrative amendments will improve the operation of the Building Act, and benefit both consumers and building practitioners.

I commend the bill to the house

Debate adjourned on motion of Mr BAILLIEU (Hawthorn).

Debate adjourned until Thursday, 11 October.

HEALTH SERVICES (CONCILIATION AND REVIEW) (AMENDMENT) BILL

Second reading

Mr THWAITES (Minister for Health) — I move:

That this bill be now read a second time.

This bill amends the Health Services (Conciliation and Review) Act. The amendments expand functions performed under the act, improve the effectiveness of the act and provide the commissioner with necessary additional powers.

The Victorian act created the first Health Services Commissioner in Australia. The commissioner investigates complaints, encourages conciliation and conducts inquires. The office of the commissioner is independent, informal and inexpensive.

A decision to review the act arose out of experience with its administration and examples of legislative innovation in other states. Concerns had also been raised about the effectiveness of the act in dealing with unregistered providers of health services. A discussion paper was distributed widely in September 2000. The paper canvassed the following issues:

whether the functions of the Health Services Commissioner and the Health Services Review Council should be expanded;

whether amendments should be made to improve the effective operation of the act; and

the capacity of the commissioner to deal with complaints against unregistered providers of health services.

The bill makes amendments to address each of these issues.

Functions of the council and the commissioner

The functions of the Health Services Commissioner and the Health Services Review Council are described in the act.

The Health Services Review Council is an advisory body that currently has a limited role. The bill gives the council a larger role in providing expertise, guidance and advice to the commissioner. The council will also be given responsibility for promoting the commissioner, the commissioner's operations and the act's guiding principles. The council requested this expanded role.

The amendments provide grounds on which a council member may be removed.

The bill confers new functions on the commissioner to provide education and training, and to conduct research. These amendments give statutory recognition to this important role.

The bill will repeal redundant provisions relating to the incorporation of the commissioner's code of practice in regulations.

Improving the effectiveness of the act

The bill makes amendments that will improve the effectiveness of the act. Broadly, the amendments address the scope of the commissioner's jurisdiction, the procedures for dealing with complaints, and the confidentiality provisions in the act.

Scope of the commissioner's jurisdiction

The act applies to all providers of health services. Amendments will clarify the range of providers and users who fall within the commissioner's jurisdiction. The new definitions — which include therapeutic counselling and psychotherapeutic services — reflect changes in the delivery of health services since the act commenced.

Procedures for dealing with complaints

Substantial parts of the act govern the commissioner's procedures for receiving complaints, carrying out investigations and conciliating complaints. Amendments will be made to these provisions to improve the effectiveness of the act. The need for these amendments arose out of the commissioner's experience with the act.

Confidentiality

The bill amends the act's confidentiality provisions. Confidentiality is fundamental to the operation of the Health Services Commissioner. Nevertheless, confidentiality must sometimes yield to the public interest.

The bill provides that information which would otherwise be confidential may be disclosed in three circumstances: firstly, in the course of criminal proceedings; secondly, where the Minister for Health decides that disclosure would be in the public interest; and, finally, with the written consent of both the health service user and the provider of the service.

The existing provisions that require ministerial permission to divulge confidential information in

criminal cases are cumbersome and delay the criminal process. These provisions give no guidance about when confidentiality should be broken. The amendments address these issues. The amendments also clarify the ambiguity in the current drafting of the act about seeking permission for disclosure from the person to whom the information relates.

These exceptions will apply only to matters that are under preliminary assessment or investigation by the commissioner. They will not apply to matters in conciliation which continue to be protected. However, the confidentiality provisions concerning conciliation will be amended to allow conciliators to discuss cases with each other.

The bill clarifies the circumstances in which a person can be required to give evidence or produce a document to a court in relation to confidential information. The commissioner and her staff will be able to give evidence in the course of criminal proceedings, but cannot be required to do so unless the proceedings relate to offences under the act.

A new provision will give power to the commissioner to refer material received outside the complaints process to a registration board or other authority. To do so, the commissioner must have the permission of either the person who provided the information or the minister. The minister is the most appropriate person to decide when the public interest overrides an individual's interest in maintaining confidentiality.

Strengthening the commissioner's powers

The discussion paper raised the issue of whether the commissioner's powers are sufficient to deal with complaints against unregistered providers.

Although the act already applies to unregistered providers, the ultimate penalty of deregistration is not available. For this reason it is important that the commissioner has sufficient power to respond to all complaints, including those about unregistered providers.

While it is not appropriate to give the commissioner enforceable powers, it is also not appropriate to allow providers to thumb their noses at the commissioner. The bill enables the commissioner to determine whether a provider has implemented the commissioner's recommendations following an investigation. The penalty for failing to provide a report on action taken upon a complaint will be increased.

The act will be amended to insert grounds on which the commissioner may name a person when making a report to Parliament. This will provide guidance to the commissioner on when this important power should be used.

It is envisaged that these powers will be used rarely. However, they are necessary to expose serious threats to individuals and the community, and repeated failure by providers to remedy complaints.

The Health Services (Conciliation and Review) Act has provided an independent, informal and inexpensive way of resolving complaints about health services and promoting better medical practice. The principles that inform the act have proved to be enduring statements about the values that underlie good quality health care. The amendments in this bill promote those values by expanding the functions of the council and commissioner, by improving the effectiveness of the act and by strengthening the powers available to the commissioner.

I commend the bill to the house.

Debate adjourned on motion of Mr DOYLE (Malvern).

Debate adjourned until Thursday, 11 October.

UNCLAIMED MONEYS AND SUPERANNUATION LEGISLATION (AMENDMENT) BILL

Second reading

Ms KOSKY (Minister for Finance) — I move:

That this bill be now read a second time.

The primary purpose of the bill is to amend the Unclaimed Moneys Act 1962 as a result of amendments to commonwealth superannuation legislation.

These changes are necessary to enable Victoria to continue the administration of Victorian unclaimed superannuation benefits, which has been our responsibility since the introduction of unclaimed superannuation legislation in 1997.

If Victoria does not meet the requirements of section 18 of the commonwealth's Superannuation (Unclaimed Money and Lost Members) Act 1999, the collection of unclaimed superannuation benefits from Victorian superannuation funds would become the responsibility of the Australian Taxation Office, thereby denying Victoria the use of $4 million per annum in unclaimed funds.

The bill inserts provisions for tax file numbers to be quoted by superannuation providers in all lodgments of unclaimed moneys. This is consistent with new commonwealth legislation and provides a more efficient system of reuniting the public with their lost superannuation moneys.

The bill also inserts provisions for the minister to deduct any tax payable to the commonwealth from an unclaimed superannuation benefit payment. This ensures that the same taxation arrangements apply to the state as currently apply to the commonwealth government and superannuation funds in relation to unclaimed superannuation benefit payments.

The bill also makes a number of minor amendments to the State Superannuation Act 1988 and the State Employees Retirement Benefits Act 1979. The amendments are largely definitional and are designed to bring the commutation rights of those whose entitlements derive from the Superannuation Act 1958 into line with those enjoyed by members of the State Superannuation Fund's revised scheme.

The bill also inserts a new more concise and more robust definition of 'commonwealth-funded pensioner' into the State Superannuation Act 1988 and the State Employees Retirement Benefits Act 1979.

I commend the bill to the house.

Debate adjourned on motion of Mr CLARK (Box Hill).

Debate adjourned until Thursday, 11 October.

WATER (IRRIGATION FARM DAMS) BILL

Second reading

Ms GARBUTT (Minister for Environment and Conservation) — I move:

That this bill be now read a second time.

Introduction of bill — primary purpose

I am pleased to introduce the Water (Irrigation Farm Dams) Bill to amend the Water Act 1989.

The primary purpose of the bill is to better manage Victoria's water resources. The bill will amend the current right to store water off waterways and use it for any purpose. In future a licence will be required for all irrigation and commercial use in a catchment.

This bill has been prepared in the following context:

The government is strongly committed to regional development.

We must avoid future fights for water that drive investment away.

A sound, well-regulated system is needed that provides security for existing users and opportunity for future development. Further development of water trading will enable water to move equitably to enterprises that provide the best economic return.

It is clear that the government must manage water for the benefit of the whole community. Advances in technology have enabled the harvesting of water for irrigation in upper catchments to an extent that was not possible in the past — even 13 years ago, when the Water Act was passed. Our management system has to keep up with these changes in technology.

Historical setting

This is an historic bill that completes Victoria's water management framework, which commenced with the introduction of the Irrigation Act of 1886.

The effect of the Irrigation Act of 1886 was to give the Crown the right to the use, flow and control of all river waters. Alfred Deakin's royal commission, which led to the Irrigation Act, recognised that water is a community resource that should be protected against overuse and degradation and that private uses of water should be consistent with the long-term protection of the resource. We now call this sustainability.

In 1970 the Groundwater Act provided for the proper management and conservation of Victoria's ground water resources. Under this legislation, introduced by the late the Honourable Bill Borthwick, Minister for Water Supply, ground water was included in the water management framework and ground water users were required to obtain licences for the use of ground water.

Under the Water Act 1958 management of water in the catchment only extended to the water that flowed in watercourses. The Water Act 1989 extended the management regime and defined the term 'waterway'. Waterways not only include rivers, streams, creeks and watercourses but they also include natural channels where water regularly flows.

Pressures on our water resources

In recent years it has been evident that our water resources have come under increasing pressure. Significant development has occurred in the upper catchment areas, which in principle this government

totally supports. However, some of this development has deprived existing water users of their water entitlements or diminished their security of supply.

Much of this development has occurred in areas where it has been difficult to determine whether the water used is harvested from a waterway or not. Until recently people have tended to focus on definitional issues rather than the main issue, which is the sustainable management of our water resources.

Engagement of the community

In April 2000 a discussion paper was released to encourage community debate on sustainable water resource management and in particular the management of farm dams. This followed the receipt of two reports from independent committees looking at water management issues in the north-east and west of the state. The overwhelming conclusion from both of these committees was that managing the state's water resources on the basis of the definition of a 'waterway' was unworkable.

Following the release of the discussion paper, the Victorian Farm Dams (Irrigation) Review Committee was appointed, chaired by Mr Don Blackmore, chief executive of the Murray Darling Basin Commission, to propose a better water management regime for Victoria.

An extensive community participation process has been undertaken. Over 40 public meetings were held around the state. The committee held five public hearings where members of the public made over 80 verbal presentations. The committee considered 370 written submissions prior to releasing its draft report via the Sofnet interactive satellite television network to over 45 locations around the state. A further 475 written submissions were considered by the committee prior to the release of its final report. It also consulted with peak stakeholder groups throughout the process. The consultation process was exhaustive and the committee is commended for its work.

The government has accepted all of the committee's recommendations, but has made some refinements to ensure a smooth transition into the new arrangements proposed by this bill.

The government strongly believes that the total water resources of a catchment should be included within the water allocation regime. It also believes that water resource management issues involve the total catchment and require a partnership between the community and government. The bill deals with these two issues.

In addition, the membership of rural water authority water services committees will be reviewed to ensure that upper catchment farmers are properly represented.

New licensing arrangements

The bill will extend the existing licensing arrangements that at present only apply to dams constructed on waterways, to cover all new irrigation and commercial use in the catchment. Licensing is not new to Victoria; it is the primary mechanism of managing the catchment's water resources.

Licences are already required for people who take water from a waterway or ground water. This bill will extend the licensing regime to people who take water for other than domestic and stock use from a spring, soak or dam.

Existing unlicensed irrigation and commercial water users will be given the choice of applying for either:

(a) a registration licence, issued for five years and renewable on payment of a nominal fee, with the costs of the first five years to be met by government, or

(b) a standard licence, which is tradeable, to which normal annual fees apply.

This will enable all significant water use to be accounted for in whole-of-catchment management of the resource. It will also strengthen Victoria's compliance with the Murray–Darling Basin cap.

Other important aspects of the registration and licensing arrangements are:

if a land-holder has multiple dams on a property, a single licence will be available for all dams of the same type;

the licence to register existing irrigation and commercial use will only incur a non-volumetric registration fee once every five years to recover the cost of registering and maintaining records;

no water trading will be allowed from registered dams;

meters will only be required on new irrigation and commercial dams when the licence entitlement is less than the capacity of the dam, and/or when the entitlement exceeds 20 megalitres.

Reuse facilities are also provided for in the bill. People will be entitled to reuse water without the need of a licence subject to reasonable criteria. This will ensure

that people will not be discouraged from constructing reuse facilities that prevent nutrients and chemical residues escaping from properties and causing potential environmental harm.

A system of exchange rates will be developed in respect of water that is traded. They will be used to determine the volumetric entitlement to apply to each megalitre of water traded between a regulated and unregulated system. Exchange rates are about providing equity when water is traded from one location to another.

Arrangements for domestic and stock use

The government does not propose changes to a farmer's right to take water for domestic and stock purposes and it has been very careful in drafting the bill to ensure this is the case. There are, however, provisions that allow some limitations to be placed on new domestic and stock dams on multi-lot rural residential subdivisions. The proliferation of these dams has at times affected the reliability of water entitlements downstream as well as the health of our rivers.

Quantifying the resource

There is a limit to the amount of water that can be used within the catchment and from our ground water resources. We need to define these limits and allocate our water resources within these limits to ensure they are sustainable for present and future Victorians.

To do this the bill provides for the specification of permissible annual volumes for both surface water and ground water resources. Permissible annual volumes have been used for many years to set limits in relation to our ground water resources. The Groundwater (Border Agreement) Act 1985 provides for the establishment of permissible annual volumes of ground water along the Victorian–South Australian border. Under this act limits are established and water cannot be allocated beyond these limits. It is proposed under the bill to extend these arrangements to apply to other areas of the State in respect of both ground water and surface water. If permissible annual volumes are set for water supply protection areas, management plans for these areas drafted by community consultative committees will be able to recommend changes to the permissible annual volumes for the area.

New arrangements for water supply protection areas

Presently the Water Act allows for the establishment of ground water supply protection areas and enables community involvement in preparing management plans for these areas. The bill proposes to extend these arrangements to surface water.

Under the arrangements there is an extensive consultation process for creating a water supply protection area and developing a management plan.

The bill allows for the declaration of water supply protection areas for ground water, surface water or both ground water and surface water together.

Consultative committees appointed by the minister will be responsible for developing a draft management plan. Fifty per cent of the members of consultative committees will be farmers appointed after consultation with the Victorian Farmers Federation.

Existing stream flow management plans that have been prepared or are currently under development will be able to be approved under the new provisions.

Transition package

To help with the transition into the new arrangements, the government will provide a financial package for land-holders who may wish to build catchment dams for irrigation or commercial purposes over the next five years, as follows:

In capped catchments:

A transition grant will be available to anyone proposing to build a catchment dam who has to purchase a water entitlement. A grant of 50 per cent of the cost of the water purchase, up to a maximum of $400/megalitre purchased, will be available.

Eligibility for the transition grant will be on a first-come, first-served basis.

The transition grant will apply to the first 50 megalitres purchased.

The transition grant will be provided after a licence to take and use water has been issued and the dam constructed.

Transition grants will be available for a period of five years or until a total of 10 000 megalitres of water has been purchased under the arrangements, whichever comes first. The transition grant will be available to people who construct dams off a watercourse.

In both capped and uncapped catchments:

Access to farm plan incentives in the form of a grant in both capped and uncapped catchments will be available

to meet the costs of establishing an irrigation/commercial enterprise, as follows:

Stage 1 — 50 per cent of the cost of an approved farm plan including: layout, water requirements, drainage, reuse design, salinity, nutrient and native vegetation management, and an economic assessment (payable on completion of the farm plan).

Stage 2 — 100 per cent of the cost of an approved environmental assessment of the impact of the proposed dam (payable on completion of the environmental assessment).

Stage 3 — 50 per cent of the cost of an approved engineering design of dam (payable after the satisfactory construction of the dam).

The farm plan incentives will be available for a period of five years and will apply only to the land subject to the new irrigation/commercial development. The maximum individual farm plan incentive grant will be $6000.

Under these transition arrangements, an individual landowner may be eligible for up to $26 000.

Environmental benefits

The government believes that there will be significant environmental benefits under its proposed arrangements. These benefits will result from a water resource assessment program and the implementation of stream flow management plans. A licensing regime that aims at managing the total water resources of a catchment will also result in better environmental outcomes.

Other matters

The government has taken this opportunity to make amendments to the Water Act in relation to two other matters that were not the subject of the farm dam review. The first matter deals with state observation bores. Amendments will ensure that the government has continued access to these bores and that people who want to use them for water supply purposes must first seek permission. The second matter seeks to ensure that licensed drillers comply with the conditions of bore construction licences for which they are responsible.

Conclusion

The government came to power with strong policy commitments to ensure the sustainable use of all water resources, including ground water, and to maintain our commitment to the Murray–Darling Basin cap.

Water managers and farmers alike have been forced into protracted disputes as to what constitutes a waterway rather than focusing on the main issue.

In former Minister Borthwick's second-reading speech when introducing the Groundwater Act he stated that 'We will not have a bar of control for control's sake. But where there is an inescapable need for control to serve positive aims of equity and resource development, then we should not shirk control'. And so today we are in a similar situation to that faced by our predecessors.

This government believes that this bill will provide certainty to both existing and future primary producers and that it is essential for the economic and social wellbeing of regional Victoria. Prior to the introduction of this bill discussions have been held with both the Liberal Party and the National Party to seek agreement to the general thrust of the provisions contained in the bill. The government thanks the honourable members opposite for their willingness to approach this issue in a bipartisan way, with the aim of ensuring a sustainable future for Victoria's water users.

The government believes that a secure water supply is essential for long-term economic growth. The current system perpetuates economic uncertainty for investors and has the potential to result in both undesirable conflicts between users and adverse environmental outcomes.

The impact of the new arrangements on anyone who currently stores or uses water for irrigation or commercial purposes in catchment dams will be minimal.

I commend the bill to the house.

Debate adjourned on motion Mr McARTHUR (Monbulk).

Ms GARBUTT (Minister for Environment and Conservation) — I move:

That the debate be adjourned until Thursday, 11 October.

Mr McARTHUR (Monbulk) — On the issue of time, I am not seeking to vary the minister's motion; however, there are a couple of points I would like clarification and assurance on. As the minister has pointed out, there has been a good deal of negotiation leading up to the introduction of this legislation. Because of its importance and the impact it will have right across the state there will need to be significant

debate on the bill, and I seek an assurance from the minister that it will not be quickly guillotined through the house and that provision will be made for proper debate so that all members who wish to take part get the opportunity to do so.

The minister has already assured me that there will be significant time available for briefings by departmental officers for members who wish it, and I thank her for that. I note in passing that one of the things I thought had been agreed relates to the five-year time limit on the transition package. I thought that time limit was disappearing, but at least in part it seems to still be there. Those are the sorts of things that honourable members need time to debate and discuss, and I seek an assurance from the minister that the bill will not be guillotined through the house.

Ms GARBUTT (Minister for Environment and Conservation) (*By leave*) — I am happy to provide those assurances to the honourable member. I thank him for his cooperation to date and hope it will continue. There will be adequate and proper debate. I am happy to arrange those briefings and ensure that there are further discussions to resolve the five-year issue that he raised.

Motion agreed to and debate adjourned until Thursday, 11 October.

MINERAL RESOURCES DEVELOPMENT (FURTHER AMENDMENT) BILL

Second reading

Ms GARBUTT (Minister for Environment and Conservation) — I move:

That this bill be now read a second time.

This bill will remove peat from the ambit of the Mineral Resources Development Act 1990 and allow it to be treated as stone under the Extractive Industries Development Act 1995.

Under the Mineral Resources Development Act 1990, which I will refer to as the MRDA, all minerals are the property of the Crown. Peat is currently defined under the MRDA as a mineral and therefore access to it is controlled by the government through the issue of licences and work authorities. While landowners will be compensated under the MRDA for any loss or damage resulting from work done under a mining or exploration licence, the landowners do not have the right to veto the doing of work on their land.

The Victorian Farmers Federation considers peat as being part of farmers' agricultural land and therefore farmers should be able to control access to it. This bill will allow the farmers this control. By removing peat from the definition of a mineral and defining it as a stone, ownership of that material will revert to the landowner. The search and extraction of peat will therefore be controlled under the Extractive Industries Development Act 1995 under which the landowner must consent to the search and extraction. The VFF strongly supports this amendment.

Another reason for this amendment is that it is very difficult to differentiate between peat and soils with high organic content. Soils are owned by the landowner and access to them is controlled under the Extractive Industries Development Act 1995. The bill will remove this anomaly.

The bill fulfils a commitment made by the government to the Parliament on 16 November 2000 that an amendment to remove peat as a mineral under the MRDA would be introduced following a review of existing licences and a determination of appropriate transitional arrangements. I note that this position was supported by the National Party.

This review has been completed and found that there is only one mining licence and three exploration licences, specifically relating to peat. These licences are all held by a subsidiary of Biogreen Ltd.

This company is developing an industry based on peat in the Colac region. The company is currently marketing and processing peat and is constructing a new processing plant. It is also developing new products based on peat and new markets including export markets. It has the potential to employ nearly 20 people.

Transitional arrangements have been developed which protect the company's existing rights. These allow the mining licence to continue and be renewed and allow the exploration licences to be renewed for up to 10 years. These arrangements protect the company's investments but do not allow the company rights to mine for peat beyond the area covered by its current mining licence.

Should the company want to extract peat from areas outside its mining licence it would need to negotiate directly with the landowners and obtain their consent.

The VFF and Biogreen have both confirmed their support for the transitional arrangements.

I commend the bill to the house.

Debate adjourned on motion of Mr PLOWMAN (Benambra).

Debate adjourned until Thursday, 11 October.

FUNDRAISING APPEALS (AMENDMENT) BILL

Second reading

Mr HAERMEYER (Minister for Police and Emergency Services) — I move:

That this bill be now read a second time.

The objective of the Fundraising Appeals Act 1998 (the act) is to maintain public confidence in fundraising by requiring fundraising organisations to be publicly accountable for their fundraising activities. To assist government scrutiny and monitoring of fundraising, the act requires the identification of persons or bodies raising money from the public for charitable or benevolent purposes.

Since the act commenced in 1999, two separate areas of concern have been identified.

Firstly, the width of its operation has caused considerable concern in the community. Many people and organisations were required for the first time to notify of their fundraising activities and to be publicly accountable for the distribution of funds raised. Complaints have been received about the administrative burden imposed by the act, particularly on small community groups which are often run by volunteers and carry out limited fundraising activities.

Secondly, a number of recent fundraising cases have highlighted the need to tighten loopholes in the act to make it more difficult for unscrupulous fundraising organisations to operate, and thus improve the protection afforded to the public in this area.

Following public consultation proposed amendments were settled. There was widespread public support for an exemption for small community fundraising organisations from the requirement to notify government of their activity and for a move to a registration system for fundraising bodies.

Accordingly, the bill establishes a registration scheme for fundraising bodies administered by the Director for Consumer and Business Affairs (the director) and provides an exemption mechanism to assist small community-based organisations and certain other groups.

Registration will be for a 12-month period although provision has been made for registration to be granted for up to five years if this is considered appropriate by the director.

At the time of registration, fundraisers will be required to identify the beneficiaries on whose behalf they propose to fundraise. Any new beneficiaries on whose behalf they subsequently propose to fundraise must be notified to the director as soon as the registered fundraiser decides to conduct any such additional appeal. In some instances, specifying a benevolent purpose will be sufficient.

Registered fundraisers will be required to nominate a contact person for inquiries into their activities by members of the public. It will be necessary also for the person having managerial and financial responsibility for the fundraising activities (namely, the appeal manager or managers) to be identified.

Provision has been made for the director to approve, where appropriate, registration at state level by an organisation which carries out its fundraising through local branches which are subject to control by the state body but which would otherwise have had to register themselves. This will significantly reduce the administrative burden imposed at the local level whilst ensuring accountability of the organisation as a whole.

The bill replaces the current means of exemption by regulation with exemption from registration by an order of the minister. This will enable exemptions to be made quickly and more flexibly as required. Exemption from registration could include exemption from account-keeping requirements where they are accountable under other legislation.

Orders can be made subject to conditions, can be revoked and will be reviewed regularly to ensure they afford only limited and appropriate exemptions**.**

It is proposed that small volunteer organisations will be given an exemption from the requirement to register if they raise less than $10 000 gross in a financial year and meet certain other specified criteria, including that they use volunteers only**.** Other organisations could also be exempted from registration where this is considered appropriate. For example, organisations that are accountable for their fundraising to the Victorian Parliament by other means may be given an exemption from registration. These other means include being required to table their annual report in Parliament, having their accounts audited by the Auditor-General, or being accountable to another minister for their fundraising activities.

The bill will also strengthen enforcement powers under the act to further assist in the prevention of unscrupulous fundraising and the protection of the donating public. One of the key enforcement tools proposed under this bill is the naming power. This will enable the Minister for Consumer Affairs or the Director of Consumer and Business Affairs to issue a public statement identifying and giving warnings about non-compliant or disreputable fundraising organisations or fundraising practices.

A public register of fundraising organisations will also be established, which will be accessible by members of the public. This will assist people in finding out about fundraising bodies.

A range of other enforcement measures will ensure that disreputable fundraising organisations are deterred from operating and will assist Consumer and Business Affairs Victoria in monitoring compliance with the act. These measures include:

requiring fundraisers, at the time of registration, to advise of the identity of the person or persons who will have managerial or financial responsibility for the conduct of their fundraising appeals and to update this information on an ongoing basis;

enabling the director to require that consent to a police check is given prior to registration where necessary, by the fundraiser, its associates or proposed appeal manager. Associates are those persons who have or will be able to have a significant influence over the management of the fundraising entity and will include persons with a managerial role in a body corporate fundraiser;

providing grounds for the refusal of registration that include, for example, where the person seeking registration as a fundraiser, an associate of that person, or a proposed appeal manager is insolvent or has been found guilty of a disqualifying offence;

providing grounds for deregistration of a fundraiser that include, for example, that the court has ordered that an appeal be stopped; and

expanding the grounds under which the Magistrates Court can stop an appeal and ensuring the court can stop the conduct of an appeal with immediate effect.

At present the act does not prevent disreputable bodies from raising large sums of money but only passing on small amounts to the relevant beneficiary or charitable purpose. The bill will enable a condition to be attached to the registration of a fundraising organisation requiring that a specified percentage of the proceeds of a fundraising appeal are distributed to the beneficiaries of the appeal where that is necessary to stop abuses, and the register may include information detailing the proportion of the proceeds raised in a fundraising appeal by an organisation that has been passed on to the nominated beneficiaries.

Additionally the director will have power to deregister or refuse renewal of a fundraiser, and the court will have power to stop the conduct of an appeal if satisfied that this is in the public interest. The concept of public interest can include a consideration of the level of administrative costs retained by a fundraiser.

The bill does not address the particular question of fundraising that is undertaken in accordance with a highway collection permit. This is an important matter and is currently under review as a separate issue. I will advise the house further on this matter when the review is complete and the appropriate course of action has been reached.

The government is committed to maintaining public confidence in fundraising. This bill is a major step in that direction.

I commend the bill to the house.

Debate adjourned on motion of Dr DEAN (Berwick).

Debate adjourned until Thursday, 11 October.

Remaining business postponed on motion of Mr HAERMEYER (Minister for Police and Emergency Services).

ADJOURNMENT

Mr HAERMEYER (Minister for Police and Emergency Services) — I move:

That the house do now adjourn.

Payroll tax: government policy

Ms ASHER (Brighton) — The issue I raise with the Premier, and the action I seek from him, is that he adopt Liberal Party policy to cut payroll tax to help stop the job exodus from Victoria.

Some 36 300 net full-time jobs have already been lost this year — 24 000 in manufacturing and 11 000 in construction. In country Victoria over 42 000 full-time jobs have gone. That is 1 in 10 jobs since December 2000 in country Victoria. We have seen a number of high-profile business closures, including Chef, Email,

Solectron, Ansett, Coles Myer and Daimaru — and the list goes on.

What is this Premier's response to this jobs crisis in Victoria? It is a do-nothing response, and even worse. Yesterday the Premier told the house of a $50 million investment in Bendigo. He advised the house that a company called Bendigo Perseverance Goldmine was responsible for this investment and implied that the government had a lot to do with it.

There are two problems with this: first, the government had absolutely nothing to do with the $50 million investment; second, there is no such company at all! The $50 million was an investment by Bendigo Mining. If, indeed, the Premier got confused with a company called Perseverance Corporation, which operates out of Fosterville, he might also like to know that that company announced in August that it was cutting back its operation because it had exhausted the reserves, and it has reduced its work force.

In terms of his performance on jobs the Premier is an embarrassment. There is a $50 million investment in Bendigo, that is true, but he does not even know the company that has done it. He knows the name of every union official in town, but he does not know the name of the company that has made a $50 million investment. This is not a slip of the tongue, this is fundamental ignorance of what is going on in the state of Victoria. The Premier is a bumbling, stumbling spectator as thousands of jobs leave Victoria. He is a spectator, not a player — and even worse, he does not even know who is playing!

Business is despairing of this do-nothing Premier. The Premier needs to take some action and cut payroll tax and Workcover premiums. Good on Bendigo Mining for the $50 million investment in Victoria — I congratulate them on it. It is a shame the Premier is not even aware of who is investing in Victoria.

Housing: Geelong homeless

Mr TREZISE (Geelong) — I raise for the attention of the Minister for Housing the provision of housing for homeless males in the Geelong region. Until 1997 St Vincent de Paul in Geelong operated a temporary emergency accommodation facility for homeless males. Since the closure of that facility in 1997 there has been an urgent need for accommodation for males across the Geelong region. A major void has been left, to the detriment of many people. Therefore the action I seek is for the minister to ensure steps are taken to provide accommodation and related assistance for homeless males in the Geelong region.

Since my election I have met on a regular basis with workers from various housing and support service organisations. From the outset of our meetings they have stressed the need for a refuge for homeless males in Geelong. In meetings with these people I have become well aware of the valuable work they do throughout the region in addressing the issue of homeless men, and also homeless women and families. I am well aware that due to the lack of local accommodation many homeless men must travel to Melbourne in search of crisis accommodation. That is particularly stressful for men who have children in their care.

The issue of homelessness in Geelong becomes exacerbated in the summer months, which we are leading into at the moment, and the holiday season. People are forced to leave their temporary accommodation to make way for holiday reservations, and the price of rental properties skyrockets due to demand. Accommodation such as caravans, flats and units becomes as scarce as hens' teeth, and if a person happens to find a unit, the rent is in the order of $200 to $300 a week, which is well out of the reach of many people.

In June 2000 the Minister for Housing launched the Victorian homelessness strategy, and at the same time and as part of the strategy the Premier announced $7 million towards crisis accommodation across Victoria, which was to provide crisis accommodation not only across Melbourne but across regional Victoria, including Geelong. Some $1.3 million was also allocated for annual operating costs.

On average welfare agencies in Geelong see two new homeless men every day. Clearly the issue of homelessness is important in Geelong, and I look forward to the minister's action on this issue.

Kyabram and District Memorial Community Hospital

Mr MAUGHAN (Rodney) — I raise a matter for the attention of the Minister for Aged Care. It concerns an application for an additional 12 nursing home beds at the Kyabram and District Memorial Community Hospital. Kyabram is a very generous, proactive community that has a range of things to its credit. It has an excellent aged care facility called Warramunda, which has received widespread community support. On 15 October I will attend the annual general meeting of that facility.

Traditionally the hospital at Kyabram has been well managed by a proactive and competent board of

directors. Recently the Minister for Health opened stage 2 of a $6.5 million redevelopment, for which the community supplied approximately 80 per cent of the funding. Kyabram is a great community.

The hospital, responding to community needs, has made application for 12 additional nursing home beds. It is an ageing population, and people want to grow old in the community they have been part of for most of their working lives, where they are close to their family and friends. The need is well established. The Minister for Health has in the past quite correctly argued that lack of sufficient nursing home beds is causing nurse blocking and problems in the acute health system, so we certainly need additional nursing home beds.

The problem at Kyabram is that the Kyabram and District Memorial Community Hospital made an application to the commonwealth Department of Health and Aged Care for an additional 12 beds. Traditionally such an application is then supported by the state. On this occasion, however, on 24 August the hospital received from the director of the aged, community and mental health division a fax that said in effect that state-funded organisations require prior approval from the Department of Human Services before submitting an application. Five criteria had to be met before approval could be received. The hospital at very short notice satisfied those criteria. Then on 14 September it received another fax message advising it for the first time that applications addressing those criteria had to be submitted in writing.

The hospital's management did that by the required date — that is, by the close of business on Monday, 17 September — and was therefore bitterly disappointed when on 19 September, after applications had closed at the commonwealth office, it received notice that the application had not been supported. The hospital applied to Mr Brendan Lilywhite, who said he would review the situation. As at today it has not heard anything back from Mr Lilywhite. I therefore ask that the minister review the situation with a view to supporting Kyabram hospital's claim for 12 additional nursing home beds.

Police: Blue Ribbon Day

Mr LANGUILLER (Sunshine) — I rise to place on record that on Saturday, 29 September Victorians will celebrate Blue Ribbon Day, a day when all Victorians can and will be proud to honour the members of Victoria Police who have fallen in the line of duty.

I understand that the Blue Ribbon Day Foundation, which promotes the day across Victoria, is facing a funding shortfall. I ask the minister to take action to ensure that the foundation has sufficient funds to make the day we are so proud of a success. Blue Ribbon Day is a day of remembrance in honour of all those members of Victoria Police who have fallen in the line of duty. The foundation has the responsibility of managing the conduct of the day each and every year, and it does a great job.

Deputy Speaker, you will remember the inaugural Blue Ribbon Day held in 1998 following the deaths on duty of Sergeant Gary Silk and Senior Constable Rod Miller, an unfortunate event in the history of the police force in Victoria and in the lives of all Victorians. Blue Ribbon Day grew spontaneously from the sympathy and support of an appreciative and caring community towards the families of Sergeant Silk and Senior Constable Miller, and towards the men and women of the Victoria Police in general. That is why we now have Blue Ribbon Day each year. Today I am wearing the blue ribbon, as are almost all honourable members I can see around me on both sides of the house.

The aim of the Blue Ribbon Day Foundation is to ensure that the day remains a symbol of the links between the community and the men and women of Victoria who are associated with the police. It is an opportunity for the people of Victoria to join with the police fraternity in remembering those members of Victoria Police who were killed while on duty.

I am very proud, as are all honourable members, to be associated with this action, because we all recognise the extraordinary work that men and women do in the front line of duty, day in and day out 365 days a year, to deliver the best possible community safety standards, which Victorians are entitled to.

James Harrison Secondary College

Mr SPRY (Bellarine) — I direct the attention of the Minister for Education to the imminent closure of James Harrison Secondary College, which caters for many students from my electorate. I am sorry that both the minister herself and the honourable member for Geelong chose to politicise the issue last week in the adjournment debate. I urge them not to be so petty in the future and remind them that there are family welfare issues at stake here.

Accordingly I ask the minister to take action to reassure the families on three important points. My first and immediate concern is the question of cost to James Harrison college families when transferring students to a new school next year. The highly regarded Newcomb Secondary College is in the concluding stages of talks

with James Harrison college to try to accommodate its needs. I commend the principals and councils of both schools for their work in that regard. The cost of new uniforms, books and so on must be met by the government to reduce the government-induced burdens on the parents of James Harrison college students.

Secondly, James Harrison Secondary College is noted for its delivery of vocational education and training of students, reflecting its proud foundations as a former technical school. The technical facilities peculiar to James Harrison college must be made available at Newcomb Secondary College, if they are not already provided.

In addition, if an expanded curriculum is required at Newcomb Secondary College that, too, must be provided without question. More room may also be required at Newcomb Secondary College, with classrooms and ancillary space. A $2.5 million allocation at James Harrison college for a major upgrade must be redirected to Newcomb Secondary College as a matter of urgency plus any other funds required in the wake of the closure of James Harrison college.

Thirdly, I note the minister's assurance that surplus land will stay in the hands of education authorities. The site about to be vacated by James Harrison college is next door to the Gordon Institute of TAFE's metal industry trade centre. I trust that the Gordon will be given first refusal.

In each of those three areas I ask the minister to make public a statement of assurance for the families in my electorate and the Geelong region generally who will be affected by the closure of James Harrison Secondary College. I trust such an assurance will be to the complete satisfaction of all concerned.

Member for Box Hill: statements

Mr MILDENHALL (Footscray) — I raise an issue for the attention of the Minister for Environment and Conservation. I refer to 1–3 High Street, Yarraville, alternatively known as the arsenic site in Yarraville. I request that the minister ensure Yarraville residents become aware of the assurances the Environment Protection Authority (EPA) has given about how the site can and will be made safe.

This has been an issue for over 15 years and has recently been reignited by some failed council candidates in an attempt to scare the community into believing they are acting in the community's best interests. They have been aided and abetted by the honourable member for Box Hill, who slithered in at the end of a public meeting in early August to ingratiate himself with those who used the term 'the killing fields of Yarraville', which, understandably, caused great offence to the Cambodian community. Despite an assurance that was distributed at the public meeting by the chairman of the EPA that the site would be safe, the honourable member for Box Hill slithered into the house on 22 August and said there was no such assurance.

Despite two independent expert panels coming up with the same recommendations for a capping solution as a way forward the honourable member for Box Hill says the government has forced that solution on the Maribyrnong City Council. Despite the Premier personally ensuring that every possible solution was investigated, every process undertaken and experts engaged in the analysis of this difficult site, the honourable member for Box Hill accuses the Premier and the government of neglect.

I ask the minister to ensure that the claptrap and scaremongering of the honourable member for Box Hill and his failed friends from the Yarraville area is corrected by the expert and accurate data that has been assembled by the EPA, and that the residents are reassured with real information — not the rubbish that is coming from the honourable member for Box Hill and a small minority of scaremongers in Yarraville.

Fishing: Murray River

Mr PLOWMAN (Benambra) — I raise an issue with the Minister for Police and Emergency Services for the attention of the Minister for Energy and Resources in the other place. For the past 150 years Victorians by the thousands have enjoyed a range of recreational pursuits along the Murray, including recreational fishing. However, this may well come to a stop if the Labor Minister for Fisheries in New South Wales accepts the recommendation of a Queensland university study, which found the Murray and its tributaries to be an endangered ecological community.

Last week in the New South Wales Parliament the minister, Mr Eddie Obeid, said he would not rule out a complete ban on fishing in the Murray, which includes fishing off the Victorian river bank. To use the words of the honourable member for Benalla, albeit in another context, 'Who does he think he is?'. This is nothing less than an insult to the thousands of Victorian recreational fishermen and fisherwomen, and to quote the words of Laurie Moretti, the president of Border Recreation Fishing Organisations:

> Recreational fishermen were falsely blamed for causing environmental problems in rivers … Recent years have seen

> fishing clubs restock the river to such an extent that fishing is the best it has been for many years … Recreational fishermen already have enough restrictions placed on them.

I could not agree with him more, and I call on the Minister for Energy and Resources in Victoria to defend the rights of the recreational fishermen on the border and ensure that their rights to fish in the Murray either on the water or off the banks are protected.

This is an outrage, and I am sure my colleagues downstream, including the honourable members for Murray Valley, Rodney, Swan Hill and Mildura, will support that view. In fact, the only endangered community on the border as I see it are the fishermen and women.

Volunteers: Carrum

Ms LINDELL (Carrum) — I raise a matter with the Minister for Community Services, and I ask her to take action to support the volunteer organisations of my local area. The International Year of Volunteers has given us a great opportunity to publicly recognise the very fine work volunteers do across Victoria, and indeed across the country, and I particularly thank the volunteers of my own electorate, whose volunteerism is greatly appreciated.

Meals on Wheels and the community visitors scheme obviously assist in improving the quality of life for many of our frail aged, together with the Red Cross. The local Chelsea division of the Red Cross does an excellent job in providing in times of need, as does the Chelsea Benevolent Society. We have a range of community centres staffed predominantly by volunteers who offer their skills in whatever capacity they can to add to the very fabric of my community, and I particularly mention the Chelsea Community Information and Referral Service, which is in its 23rd year of excellent voluntary commitment to my local area.

The minister would be aware of the magnificent efforts of the full range of emergency services that look after both the Kingston and Frankston municipalities — the Country Fire Authority, the State Emergency Service and the Australian Volunteer Coast Guard Association. The coast guard has two divisions, one at Carrum and one at Frankston, and I know the minister is aware of the very high voluntary commitment to these services made by the men and women who put others' safety before their own. I ask the minister to take action to support my local voluntary organisations.

Scoresby freeway: funding

Mr RICHARDSON (Forest Hill) — The matter I raise for the attention of the Minister for Transport concerns the absolutely breathtaking dishonesty of a document that has been circulated to households along the Scoresby corridor. The document says that a funding pledge has been signed between the government and the councils along the Scoresby corridor. The implication is that the federal government has done nothing to contribute funds whereas the state government has contributed vast sums of money. The reality is that the only government that has committed funds is the federal government, which has committed over $200 million. The state government has committed only $2 million, and that is only for planning.

The document is signed by the Minister for Transport and the Premier, and on the back it has a reference to the signatures of all the mayors who have signed the pledge. I put it to the Minister for Transport and the Premier that what we need is their signatures on a cheque, not on a pledge.

Davis Cup: tickets

Mr ROBINSON (Mitcham) — I raise with the Minister for Police and Emergency Services for the attention of the Minister for Sport and Recreation in another place a matter relating to public ticket allocations for major sporting events, in particular the forthcoming Davis Cup tennis final, which is scheduled to be held in Melbourne from 30 November to 2 December. That event follows the wonderful success of the Australian Davis Cup team at the recent semifinals, where the team of Pat Rafter, Lleyton Hewitt, Wayne Arthurs and Todd Woodbridge were successful.

The success of that team has led to the first Davis Cup match in Melbourne for some time, and it will be the first final in Australia since 1986. Tennis Australia has a fine reputation for managing public events, and it is not an organisation that has attracted widespread criticism in the past so far as ticketing and public access to matches is concerned.

In recent days we have seen the unseemly spectacle in the Australian Football League (AFL) of Essendon Football Club supporters, and perhaps some Brisbane supporters too, not being able to access tickets due to convoluted and inequitable — —

Mr McArthur interjected.

Mr ROBINSON — I know the interjection opposite is unseemly, but I suspect the current Minister for Sport and Recreation has done a lot more than his predecessor in organising a better deal.

What we want to ensure with the Davis Cup tennis final is that all those Victorians who wish to go to one of the three days of competition will be able to do so. Melbourne has excellent facilities. Tennis Australia has not in the past had difficulty with this, but public commentary over the past few days on the AFL's flawed ticket allocation system suggests that, for the sake of public confidence, we would be well advised to ensure that ticketing for the Davis Cup finals is organised appropriately.

I hope that the minister will have some discussions with Tennis Australia to ensure that the ticket allocation system is appropriate and provides opportunities for all Victorians who wish to access tickets to those matches.

We have a great reputation in this city for staging sporting events such as AFL football, horseracing, Davis Cup tennis and, of course, Victorian Football League football. It would be remiss of me if I did not end the week by once again referring to the magnificent win by the Box Hill Hawks at Optus Oval last week. It was a magnificent win, and I congratulate the team — and also those involved in the Davis Cup tennis team.

Multicultural affairs: health programs

Mrs SHARDEY (Caulfield) — I raise a matter with the Minister for Health. Under the heading 'Getting the basics right' the Labor Party's 1999 policy document states:

> We believe the many different linguistic and cultural backgrounds of Victorians should not stand in the way of all residents accessing government and government-funded programs and services.

With that in mind, I direct the minister's attention to an article at page 12 of today's *Age* by Chloe Saltau, headed 'HIV-positive migrants not using services'. This refers to the Victorian Aids Council yesterday calling for new HIV/AIDS awareness and prevention programs aimed at Melbourne's ethnic communities. The call follows the release of a study that shows that HIV-positive migrants often do not use services or stick to medication. Research done by the Royal Melbourne Hospital and the University of Melbourne's school of social work examined the medical records of 26 patients at the hospital's outpatient clinic who come from migrant communities, mostly in the inner city and western suburbs. They found that cultural attitudes often result in fear, rejection and withdrawal in families.

Furthermore, a lady by the name of Cindy Jeffrey, a social worker at the Victorian Infectious Diseases Unit, said many of the patients in the sample did not attend the clinic regularly, comply with medication or engage in protective behaviours. She said migrants faced language barriers and social isolation, which affected their use of HIV/AIDS services. The Victorian AIDS Council's executive director, Mike Kennedy, has said that government resources would be needed to make mainstream HIV/AIDS services culturally sensitive and to deliver new specialist services to migrants.

The government should be following in the footsteps of the previous government — I have asked the minister to take action to address this issue by providing appropriate services — which committed to spending 5 per cent of all advertising budgets on multicultural media to ensure that appropriate information on issues important to multicultural communities reach them, particularly awareness campaigns about health issues. However, since this government came to power we have found that there are many examples of its not passing information on to communities through ethnic media and in other ways — information which is important for them in understanding the issues. I have questioned the government across all departments about this and have found it has not complied with the 5 per cent advertising budget commitment — —

The DEPUTY SPEAKER — Order! The honourable member's time has expired. The honourable member for Bennettswood has only seconds.

Box Hill Hospital

Mr WILSON (Bennettswood) — I ask the Minister for Health to liaise with his department and others in his area of responsibility to ensure that there is adequate parking for patients and visitors attending the Box Hill Hospital. Many constituents have contacted me and advised that on many occasions when they have attended either as patients or as a visitors they have found there is inadequate parking.

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

Responses

Ms CAMPBELL (Minister for Community Services) — The honourable member for Carrum, who is very proactive in supporting volunteers in her community, has pointed out the vast array of organisations in her electorate that support the wider

community. When the international community decided to celebrate the International Year of Volunteers there were two key objectives: to recognise and celebrate the achievements of our existing volunteers and to nurture new groups of volunteers.

The Bracks government has committed $1 million this year to promote the International Year of Volunteers to strengthen, encourage and celebrate volunteerism. Since January we have distributed hundreds of thousands of certificates of appreciation to volunteers and have called on the Victorian community to nominate volunteer heroes. The government intends to acknowledge the achievements of nine volunteers from across the state.

In relation to the honourable's member's own electorate, I am sure she will be delighted to pass on what I am about to say to her local councils. Kingston City Council is the recipient of one of our celebratory partnership grants of $1000, and more particularly a grant of $15 000 under the community grants project, which provides grants of up to $15 000. The government has also allocated in the area of the honourable member for Carrum a $15 000 grant to the Mornington Peninsula Shire Council and another $15 000 grant to the Frankston Peninsula Volunteer Resource Centre.

I notice that the honourable member for Frankston East is nodding his head; he has spoken highly of volunteers in his electorate. That money will be provided to local councils. As a result, the Kingston City Council's guide to volunteering will be published and circulated and the volunteer resource centre will be able to promote, encourage and strengthen volunteering. It is good to know that this government has allocated $278 000 for other councils across the state that have come up with very innovative programs to encourage volunteering.

Ms GARBUTT (Minister for Environment and Conservation) — The honourable member for Footscray rightly asked me to counter the claptrap and scaremongering of the honourable member for Box Hill. I am pleased that the honourable member for Box Hill is in the house to hear exactly what the situation is with the Yarraville site.

The honourable member for Footscray is right that the honourable member for Box Hill has been peddling nonsense about there being no assurance from the Environment Protection Authority about the safety of the site. I have two public documents from the EPA: one is a press release and the other is a document that was distributed at a public meeting. In addition, Dr Brian Robinson, the chairman of the EPA, has been on *Stateline* — a statewide television program — offering the same assurances.

I will cite a few comments that I hope will counter the disgraceful scaremongering of the honourable member for Box Hill. Dr Brian Robinson said:

> Should the developer fail to meet the conditions required to make the site safe, the development will not go ahead …

The press release further states:

> There will be a second independent environmental audit conducted on the site following completion of the development, prior to the use of the site as a shopping centre. This audit will ensure that the works have been completed as agreed and that the site is safe.

Dr Robinson is further quoted as saying:

> EPA's priority is to ensure that this site is safe for local residents …
>
> Members of the community who are genuinely concerned about safety issues can be assured that sealing the site through development will provide certainty about safety of the site that has been of concern for 40 years.

That is the press release in which the head of the EPA gives those assurances. The document distributed at the public meeting reinforces these assurances. It states:

> EPA and the auditor are satisfied that capping the site will make it safe and protect community health.

I would have thought that that was pretty clear. It is in black and white and there can be no doubts about it.

Mr Clark — On a point of order, Madam Deputy Speaker, the minister has quoted from two documents and I ask that she make those documents available to the house.

The DEPUTY SPEAKER — Order! Will the minister make the documents available to the house?

Ms GARBUTT — Absolutely, I will make them available to the house. In fact, I will read large chunks of them into the record so that everyone reading *Hansard* will be left in absolutely no doubt about the assurances given by the EPA.

I will quote one further paragraph that should not leave a skerrick or a whisker of doubt. The EPA says:

> Residents of Yarraville can be assured that sealing the site through development will provide certainty about the safety of the site which has been of concern for 40 years.

They can be assured. That is the assurance given by the EPA. It is absolutely assured. It is in black and white and now it is in *Hansard* as well.

Mr Spry — On a point of order, Madam Deputy Speaker, under standing orders the Minister for Education is becoming a serial offender in terms of absenting herself from this chamber. She is no longer relevant to this Parliament if she will not get herself into this chamber to answer the very real concerns raised by honourable members on behalf of their constituents.

The DEPUTY SPEAKER — Order! The point of order is frivolous.

Mr HAERMEYER (Minister for Police and Emergency Services) — The honourable member for Sunshine pointed out — and very appropriately too — that Saturday is Blue Ribbon Day in Victoria. It is good to see honourable members wearing their police blue ribbons. This day has operated in Victoria since 1998. It is a day when we recognise those police officers who have lost their lives in defending and protecting the Victorian community from the criminal element that, unfortunately, is always out there. It is also a way in which Victorians can show their support and their affection for what we all regard as Australia's finest police force.

Blue Ribbon Day has now been extended nationally, and I noted in the *Herald Sun* last week that there is some discussion of it becoming an international event with the possibility of police, firefighters and emergency service workers taking on a similar concept in the United States of America to recognise the very courageous acts and deeds of emergency service workers in that country.

Last year the government was asked by the Blue Ribbon Day committee to provide a donation to ensure that last year's Blue Ribbon Day could be bigger and better than ever, so the government provided $30 000 to give a kick-start for last year's police blue ribbon campaign. We noticed that it was bigger and better than ever, and this year it has gone from strength to strength. I was very pleased to see the chequered blue ribbon flag flying from Parliament House this morning, and I understand that it will be flying there for the remainder of the week. Blue ribbon flags will also be flying from the Department of Premier and Cabinet and the Department of Justice. Anyone would acknowledge that this year's Blue Ribbon Day campaign by the Blue Ribbon Foundation has been bigger and better than ever.

Blue ribbons are available in all sorts of places — for example, newsagencies and police stations — and we ask people to wear them and, if they can make a donation, we ask them to do so. However, as the honourable member for Sunshine pointed out, there is a small shortfall in terms of the donations the Blue Ribbon Foundation has received and its outgoings. To that end, to ensure that this year's police Blue Ribbon Day is not only a success but also that it can cover all its costs, the government has acceded to a request for a further $5000 to the campaign. I am sure that that will be put to good use. It is something that I believe has the support of all honourable members in this place.

I also want to acknowledge that yesterday the Chief Commissioner of Police and I turned the first sod for the erection of a police memorial on St Kilda Road. That will be a magnificent recognition and a means of remembering those police officers who have lost their lives in the course of duty. We look forward to having that memorial completed and opened by early next year.

The Deputy Leader of the Opposition, the honourable member for Brighton, raised a matter for the attention of the Premier. I am extremely disappointed in this. One would have thought that the entire nation and the entire world are confronting some very difficult circumstances at the moment that are impacting on not only the national economy but also the international economy. I would have thought that this is a time to pull together and for people to focus on the advantages and strengths that we have in the Victorian economy.

Instead, what we have are comments that I have to say verge on economic treason. They are about talking down this state; they are about badmouthing this state; they are about running this state down. It is something akin to someone who has a cup that is nine-tenths full running around and making a big deal of the fact that one-tenth is not full. That is what she is on about. That is the way she is behaving. I am very disappointed in these economic quislings over here. I think in these times it requires people from all parties, it requires business, it requires unions and it requires the entire community to pull together to make sure Victoria confronts these challenges in a way that sees us coming through stronger and better than ever. I have to say the comments she made do her no credit whatsoever.

The honourable member for Geelong in a caring way raised the issue of homeless males in the Geelong region. It is a very serious issue. I understand there is an urgent need for accommodation for homeless males in Geelong, and I will draw that to the attention of the Minister for Housing.

The honourable member for Rodney raised for the Minister for Aged Care a matter relating to an application for 12 additional nursing home beds at

Kyabram and District Memorial Hospital. I will ensure that that is drawn to the attention of the minister.

The honourable member for Bellarine raised the issue of the imminent closure of James Harrison Secondary College. This guy is someone who goes around beating up all sorts of scaremongering stories. I have to say I find his behaviour absolutely appalling, because when we had the previous government running around closing schools, closing hospital beds and getting rid of police he was nowhere to be seen. He sat up here on the back benches. He was part of the cheer squad. There were a lot of them too — 17 Madame Defarges!

Honourable members interjecting.

The DEPUTY SPEAKER — Order! The honourable member for Benambra!

Mr Maclellan — On a point of order, Deputy Speaker — —

The DEPUTY SPEAKER — Order! I am trying to call the honourable member. Perhaps the honourable member for Pakenham would ask the honourable member for Benambra to be quiet, and then I would be more than happy to call him.

Mr Maclellan — I will certainly assist you, Madam Deputy Speaker, in asking the honourable member for Benambra to keep quiet so that I can raise my point of order.

My point of order is that there are standing orders of this house which require that members should not make reflections upon other members except by way of substantive motion. I do not think the minister is setting a good example in abusing the honourable member for Bellarine in the way he is. It would be much better if he got on with answering the matter raised by the honourable member. I suggest, Madam Deputy Speaker, that you direct him to abide by the standing orders, to simply respond to the matters raised and to not abuse other honourable members or make imputations about them.

The DEPUTY SPEAKER — Order! The honourable member for Bellarine has not asked for a withdrawal, but I think it would be wise for the minister to conclude his responses so that all honourable members may finish the day in Parliament.

Mr HAERMEYER — I will certainly draw the matter raised by the honourable member for Bellarine to the attention of the Minister for Education. She may do with it what she will, and I suggest he return to his knitting.

Mr Spry — On a point of order, Deputy Speaker, I can cop as much as anybody else in this chamber, but the minister is going to ridiculous extremes. I ask him to withdraw the imputations he has made against my reputation forthwith.

The DEPUTY SPEAKER — Order! I ask the minister to withdraw his remarks.

Mr HAERMEYER — I withdraw any imputations I made about the honourable member for Bellarine and his knitting.

The honourable member for Benambra raised for the attention of the Minister for Energy and Resources the issue of the New South Wales minister apparently calling for a complete ban on fishing in the Murray River. I certainly do not think Mr Rex Hunt will be supportive of that notion, if that is indeed what the New South Wales minister said, but I will draw the matter to the attention of the appropriate minister.

The honourable member for Forest Hill raised the issue of a pamphlet relating to the Scoresby freeway corridor. I believe the honourable member is on the record as supporting tolls on that freeway. I will draw the matter he raised to the attention of the Minister for Transport.

The honourable member for Mitcham raised for the attention of the Minister for Sport and Recreation in the other place a matter relating to accessing tickets for major sports events — a particularly important issue with the grand final coming up — and I will draw that to the minister's attention.

The honourable member for Caulfield raised a matter for the Minister for Health relating to HIV-positive migrants and their access to services, and the honourable member for Bennettswood also raised a matter for the attention of the Minister for Health relating to parking at Box Hill Hospital. I will ensure that both those issues are drawn to the attention of the Minister for Health.

Motion agreed to.

House adjourned 5.51 p.m. until Tuesday, 9 October.

QUESTIONS ON NOTICE

Answers to the following questions on notice were circulated on the date shown.
Questions have been incorporated from the notice paper of the Legislative Assembly.
Answers have been incorporated in the form supplied by the departments on behalf of the appropriate ministers.
The portfolio of the minister answering the question on notice starts each heading.

Tuesday, 25 September 2001

Multicultural Affairs: racial and religious tolerance

372. MR KOTSIRAS — To ask the Honourable the Minister for Multicultural Affairs with reference to the Government's Discussion Paper and draft model bill on racial and religious tolerance —

1. Did the Minister receive a written brief from the Victorian Office of Multicultural Affairs advising him of the — (a) total number of submissions received; (b) proportion in support of the draft bill; (c) proportion that opposed the draft bill; and (d) proportion that indicated support if the draft bill was amended.

2. Will the Minister make the brief available.

ANSWER:

I am informed that:

The Victorian Office of Multicultural Affairs received in excess of 5000 written submissions.

The Victorian Office of Multicultural Affairs did not conduct a proportionate analysis of submissions. The Office examined specific issues raised in submissions and consequent amendments to the Bill were made on the basis and consideration of these identified issues.

As the Victorian Office of Multicultural Affairs did not provide a brief or report of that nature, I am unable to make it available.

Housing: supported accommodation assistance program

398. MRS SHARDEY — To ask the Honourable Minister for Housing with reference to the State Government's claim that the Federal Government refused to meet its obligations under the year 2000 negotiated award conditions for Supported Accommodation Assistance Program workers costing $2.2 million —

1. Did Victorian SAAP workers receive compensation for the movement to award coverage when offered by the Federal Government because the movement to award coverage had already occurred; if not, why.

2. Did the current Federal Government offer a one-off agreement to use unspent funds in Victoria for increases in award payments for SAAP workers under the SAAP program.

3. If the Federal Government offered a one-off agreement to cover awards — (a) how much money was used; and (b) how was the money used.

ANSWER:

The Social and Community Services (SACS) award introduced a 38 hour week and provided two 3% salary increases. The additional cost in a full year totalled $4.3 million.

In 2000/2001, the Commonwealth allocated $45 million over three years ($15 million in the first financial year) to meet the shortfall in funding following the introduction of awards for SAAP workers across Australia. During

initial negotiations, the previous Victorian government did not secure access to this funding. Victoria does not receive specific supplementation from the Commonwealth to address movements in its award and as a consequence had to locate additional funds that had been earmarked for service growth.

The Commonwealth agreed to the use of $1.58 million from Victoria's SAAP unspent Reform Funds to meet the shortfall in 1999/2000 for the SACS award settlement on a one off basis only. However, because the Commonwealth has not met its share of the SACS award increases in 2000/2001 ($2.2 million) Victoria has had to utilise growth funds to meet these increased costs on an ongoing basis.

QUESTION ON NOTICE

The answer to the following question on notice was circulated on the date shown.
The question has been incorporated from the notice paper of the Legislative Assembly.
The answer has been incorporated in the form supplied by the department on behalf of the appropriate minister.
The portfolio of the minister answering the question on notice starts the heading.

Wednesday, 26 September 2001

Aged Care: Colac community health services

439. MR MULDER — To ask the Honourable the Minister for Aged Care — whether the Minister has made provision for the allocation of $9.2 million to redevelop the following Colac Community Health Services aged care facilities — (a) Otway Pioneer; and (b) Polwarth House.

ANSWER:

The Government has provided $47.5 million for residential aged care capital works in 2000/01 and a further $25 million in 2001/02.

As part of the capital redevelopment of Colac Community Health Services, $13.5 million was provided in the 2000/2001 budget for the Phase 1 redevelopment of the Colac Hospital site. The Phase 1 redevelopment provides for new labour delivery suites, theatres, accident and emergency services and wards.

Subsequent phases will include consideration of options around redevelopment of the two aged care facilities, Otway Pioneer and Polwarth House, and the upgrade of the dental, allied health and primary health facilities. Significant additional capital funding would be required for such works.

Later phases are in the planning and development stage and costing has not yet been finalised. The later phases of the redevelopment will be considered for funding in future budgets given consideration of the complete capital works priorities facing the Government at that time.

QUESTIONS ON NOTICE

Answers to the following questions on notice were circulated on the date shown.
Questions have been incorporated from the notice paper of the Legislative Assembly.
Answers have been incorporated in the form supplied by the departments on behalf of the appropriate ministers.
The portfolio of the minister answering the question on notice starts each heading.

Thursday, 27 September 2001

Transport: Elizabeth Street subway

264. MR WILSON — To ask the Honourable the Minister for Transport with reference to the opening hours of the Elizabeth Street subway at Flinders Street Station —

1. When were the daily opening hours of the subway restricted to between 06:00 and 22:00.

2. Is the change in opening hours in contravention of any contracts between the Government and Connex Melbourne or M Train (formerly Bayside Trains) and if not, why.

3. How will convenient public access from the western end of Southbank to the platforms at Flinders Street Station be maintained between 22:00 and the departures of the last trains each night.

ANSWER:

1. The opening hours of the subway were restricted to 6:00 a.m. to 10 00 p.m. when it was reopened following tiling works in December 2000.

2. Connex advise that passengers can still access the train network by walking through to the central Flinders Street entrance or along the riverside walkway to the main concourse.

3. The Office of the Director of Public Transport is pursuing the matter with Connex and Bayside Trains in relation to Connex's requirement under the Franchise Agreement to maintain sufficient staffing and access for passengers at the station.

Transport: Metcard machines

266. MR WILSON — To ask the Honourable the Minister for Transport with reference to Metcard vending machines —

1. How often are machines that take — (a) coins only; and (b) notes and coins; and that are located at — (i) Connex Melbourne railway stations; and (ii) M Train (formerly Bayside Trains) railway stations serviced by technicians.

2. Does Onelink Transit Systems Pty Ltd employ or contract technicians or is this done individually by Connex Melbourne, M Train, M Tram (formerly Swanston Trams), Yarra Trams, the Department of Infrastructure or private bus operators.

3. In November and December 2000, how many breakdowns were recorded at each machine located at a railway station and what was the cause for each breakdown.

4. In November and December 2000, how many times did the larger note-taking ticket machines take notes without issuing either a ticket or returning money.

5. Why do the larger note-taking machines continue to display 'Please select ticket' after such incidents.

6. Has the Government entered into any discussions with Onelink or the franchisees to ensure that an 'out of order message' is immediately displayed on machines when the machines are faulty.

7. How many calls did Onelink's 1800 652 313 number receive in November and December 2000 relating to Metcard.

8. How many validations of tickets occur on a typical — (a) weekday; (b) Saturday; and (c) Sunday on each of — (i) Connex Melbourne; (ii) M Train; (iii) M Tram; (iv) Yarra Trams; and (v) contracted private bus operator services.

9. What estimated proportion of passengers failed to validate their tickets on average on a — (a) weekday; (b) Saturday; and (c) Sunday on each of — (i) Connex Melbourne; (ii) M Train; (iii) M Tram; (iv) Yarra Trams; and (v) contracted private bus operator services and have these estimates declined between December 1999 and December 2000.

ANSWER:

1. The Onelink contract does not specify how often machines are serviced and Onelink does not supply this information.

2. Servicing of machines is the responsibility of Onelink that may use its own staff or contractors. It is understood that Onelink contracts out this task.

3. Reliable figures are not provided on the number of breakdowns of ticket issuing and validating machines at individual stations. Onelink does provide a report that gives the percentage of machine hours that, in aggregate, are lost each month. However, the figures in this report rely on self-reporting within the machines and excludes machines out of order due to vandalism and does not reflect the level of service observed by passengers. The Government has commissioned an audit of the performance of the system in an attempt to generate more reliable data.

4. Statistics on occurrences of this type are not reported by Onelink.

5. "Please select ticket" is the next logical step in the purchasing process after the money is taken. If the machine has accepted the note but not registered a fault in the ticket selection process this instruction would be displayed.

6. No. However, if a machine's self-testing mechanism recognises a fault the machine automatically displays "out of service" or, if appropriate, that exact change is required.

7. The number of calls reported by Onelink in November and December 2000 were approximately 3,500 and 3,800 respectively.

8.

	Weekday	**Saturday**	**Sunday**
Connex	156,560	75,218	56,854
M Train	155,759	51,056	31,262
Yarra Trams	66,962	27,661	17,453
M Tram	81,371	44,665	29,310
Bus	247,009	72,119	13,666

9. Franchisees do not report to the Director on failures to validate. However, franchisees are required to provide fare evasion statistics. The levels of fare evasion, as a proportion of total passengers carried, as at mid 2000 are estimated by the franchisees to be:

Connex	5.8%
M Train	7.7%
M Tram	8.2%
Yarra	23.5%
Bus	Less than 5%

Differences in survey methodologies used by the franchisees may result in different statistics being reported for fare evasion. A more uniform approach to conducting fare evasion surveys is being pursued with the franchisees.

Housing: public housing waiting list

366. MR WILSON — To ask the Honourable the Minister for Housing — what was the waiting list for public housing at the end of each month from August 2000 to April 2001 inclusive in — (a) Victoria; and (b) Eastern Metropolitan Region

ANSWER:

The figures are available on a quarterly basis for the time required.

Public Housing Waiting List: Victoria and Eastern Region August 2000 to April 2001

Victoria		**New**	**Transfer**	**Total**
2000	September	36,494	4,999	41,493
	December	36,901	5,110	42,011
2001	March	37,710	5,261	42,971

Eastern Region		**New**	**Transfer**	**Total**
2000	September	5,004	522	5,526
	December	4,934	522	5,456
2001	March	4,897	559	5,456

Note: Public housing includes the Rental General Stock and Movable Units programs. It also includes transfer applications.

Housing: waiting list

383. MRS SHARDEY — To ask the Honourable Minister for Housing what was the number of applicants on the waiting list for access for public housing for the — (a) December 2000 quarter; and (b) March 2001 quarter for — (i) each region; (ii) the whole of Victoria; and (iii) each segment within the waiting list.

ANSWER:

The information is available on a financial year basis from the Department of Human Services Annual Report and Office of Housing 'Summary of Housing Assistance Programs'.

The number of applicants on public housing waiting lists is attached.

TOTAL PUBLIC HOUSING WAITING LISTS (NEW AND TRANSFER APPLICATIONS)

Public Housing Waiting List for Victoria December 2000 (Total New and Transfer Applications)

	Recurring Homeless (Seg. 1)		Supported Housing (Seg. 2)		Special Housing Needs (Seg. 3)		Other Early Housing*		Wait Turn (Seg. 4)		Total	
	New	Transfer	New	Transfer	New	Transfer	New	Transfer	New	Transfer	New	Transfer
Eastern Metro	31	1	36	1	202	61	33	21	4,632	438	4,934	522
Northern Metro	58		17	6	426	174	26	47	6,653	850	7,180	1,077
Southern Metro	78	1	51	8	405	156	16	87	12,815	1,410	13,365	1,662
Western Metro	13	2	27	55	259	83	21	19	6,013	791	6,333	950
Barwon South West	3		2	1	33	18		12	1,097	234	1,135	265
Gippsland	2		1		8	2		1	523	88	534	91
Grampians				1	15	11		3	575	114	590	129
Hume	15	1	1		45	10	1	1	828	109	890	121
Loddon Mallee	8	1	4		102	36	3	5	1,729	251	1,846	293
Movable Units Waiting List									94		94	
Total Waiting List	208	6	139	72	1,495	551	100	196	34,959	4,285	36,901	5,110

* Other early housing includes stock management and redevelopment transfers and sponsored housing nominations

Note : Public housing includes the Rental General Stock and Movable Units programs

Public Housing Waiting List for Victoria March 2001 (Total New and Transfer Applications)

	Recurring Homeless (Seg. 1)		Supported Housing (Seg. 2)		Special Housing Needs (Seg. 3)		Other Early Housing*		Wait Turn (Seg. 4)		Total	
	New	Transfer	New	Transfer	New	Transfer	New	Transfer	New	Transfer	New	Transfer
Eastern Metro	43		39	1	232	78	33	31	4,550	449	4,897	559
Northern Metro	48	1	30	9	470	182	28	50	6,759	871	7,335	1,113
Southern Metro	94	1	60	14	441	160	22	73	12,985	1,414	13,602	1,662
Western Metro	21	2	23	35	298	114	17	19	6,259	806	6,618	976
Barwon South West	3	2	2	1	36	14		9	1,079	234	1,120	260
Gippsland	1		1		10	8		1	500	98	512	107
Grampians	2		5		23	6		3	643	117	673	126
Hume	21				44	15	1	5	870	120	936	140
Loddon Mallee	16		7		83	36	1	14	1,812	268	1,919	318
Movable Units Waiting List									98		98	
Total Waiting List	249	6	167	60	1,637	613	102	205	35,555	4,377	37,710	5,261

* Other early housing includes stock management and redevelopment transfers and sponsored housing nominations

Note : Public housing includes the Rental General Stock and Movable Units programs

Housing: Commonwealth–State Housing Agreement

395. MRS SHARDEY — To ask the Honourable Minister for Housing — will the Minister supply a copy of the last report Victoria lodged with the Commonwealth Government as a requirement under the provision of the Commonwealth–State Housing Agreement.

ANSWER:

The most recent report prepared lodged with the Commonwealth Government as a requirement under the provision of the CSHA is attached.

Commonwealth State Housing Agreement

Bilateral Agreement

Performance Reporting

1999/2000–2002/2003

INTRODUCTION

BACKGROUND

The Commonwealth State Housing Agreement (CSHA) establishes the framework for the provision of housing assistance across Australia for the period from 1 July 1999 to 30 June 2003.

The agreement has a Multilateral component which outlines funding arrangements, guiding principles, allowable uses of assets and funds, and reporting requirements agreed between the States and Territories and the Commonwealth.

The Agreement provides total funding to Victoria of $1.3 billion, comprising $0.9b Commonwealth and $0.4b State funds. In addition to minimum required State CSHA funds, Victoria will inject a further $94.5 million in funding over the term of the Agreement, subject to annual State budget approval processes. These funds have been included in the planned output targets to show the complete housing program over the four years, noting that these funds and outputs are planned and evaluated by Victoria.

This Bilateral Agreement identifies objectives and outcomes including efficiency, effectiveness and financial outcomes for Victoria to achieve during the Agreement. The directions outlined in this Agreement have been developed in consultation with relevant community sector and industry sector stakeholders.

Housing assistance in Victoria over the four years of the Agreement will continue to focus on meeting need, with particular emphasis being placed on providing a range of assistance types to better meet the needs of the community. Features of Victorian housing assistance during the period of this agreement will include:

– policy review to ensure that assistance is matching need.

– strengthening links with support providers.

– increasing community housing stock through a range of mechanisms including joint ventures.

– reconfiguring public housing stock so there is a better match between stock types, location and size and client need.

– increased tenant and community involvement in the planning, provision and management of housing assistance.

The major directional themes are:

– a more inclusive approach to policy development, research and consultation on housing issues.

– improving the quality of life for tenants and therefore for surrounding communities.

– major reinvestment in current public housing stock, a focus on redevelopment, and slower growth;

– redeveloping particular inner city estates while consolidating and maintaining the level of inner area public holdings.

– maintaining a sound financial position from which to achieve improvements in the coverage and quality of housing assistance in Victoria.

The Bilateral CSHA outcomes measurement framework ('the framework') sets out how Victoria will show progress in achieving the objectives and outcomes set out in the Bilateral Agreement signed by Victoria and the Commonwealth ('the parties') on 19 May 2000. An agreement of the parties to develop performance measures for this purpose is outlined under Section 3(1) of the Multilateral Commonwealth State Housing Agreement.

The Bilateral Performance reporting framework includes the completion of nationally agreed data sets and comparative and benchmark reporting through the Productivity Commission's reports on Government Services. The Bilateral Agreement reporting framework seeks to minimise duplication and overlap, without imposing onerous requirements.

GENERAL PRINCIPLES

The parties agree that:

– The framework is an agreement between Chief Executive Officers;

– The framework will be the basis for reporting progress achieved under the strategic directions of the Bilateral Agreement, including performance information and outcomes, for the period 1 July 1999 to 30 June 2003 inclusive; and

– Data definitions, classifications and standards approved under the auspices of the National Housing Data Agreement 1999 and any other similar agreement entered into by the parties, will be used where appropriate.

In addition, commencing for the report for 2000/01, the annual Bilateral report to the Commonwealth will identify the components of the total outputs which were achieved with the Victorian government's additional $94.5 million funding initiative.

VARIATIONS

The parties agree that over the period of the Bilateral Agreement, opportunities will be taken to improve the framework as new performance measures are developed or become available.

Variations to the framework must be agreed in writing. If both parties agree that a change is only minor in nature, it may be approved at officer level. Variations, which are deemed by either party to constitute a significant change, must be approved by the Chief Executive Officers.

REPORT ON BILATERAL OUTCOMES

CONTEXTUAL STATEMENT

The Victorian Bilateral CSHA was developed in the early days of the new Victorian Government and reflects the election commitments of that Government. These commitments are based around four pillars of government:

– Delivering Responsible Financial Management;
– Delivering Quality Services;
– Growing the Whole of the State; and
– Restoring Democracy

The Government's program for housing included a number of major housing policy reviews, including the Segmented Waiting List Review, the Review of Public Housing Eligibility, reviewing the Residential Tenancies Act 1997, developing a Victorian Homelessness Strategy, a Housing and Local Government Affordable Housing Policy and a Women's Housing Policy. In addition, the Government has commissioned the Social Housing Innovations Report to examine ways in which the community housing sector could be expanded.

A significant proportion of Victoria's public housing stock needs redevelopment and, in recognition of this, 11 major redevelopment projects have been announced. Community consultation is a major part of the redevelopment process, with Community Liaison Committees being responsible for proposing redevelopment strategies for each project. Following approval of the redevelopment strategy by the Minister, Implementation Community Liaison Committees are formed to oversee the redevelopment.

Victoria recognises that promoting sustainable living environments is a complex process that requires a range of initiatives. Physical improvements are a significant component developing sustainable living environments but are only part of the response. Other initiatives to promote sustainable communities include community development activities and providing increased opportunities for tenant consultation.

The outcomes contained in Victoria's Bilateral CSHA and performance framework reflect these Government priorities. Accordingly, much of the performance report for 1999/2000 focuses on progress made in establishing new processes and directions for housing assistance.

Key Directions	Planned Outcomes	Milestones and Measures	Report	1999–2000 Performance Report
Outcome Area 1 Engaging the Community in Housing Issues				
Empowering tenants				
Outcome 1.1: Improved tenant input into decision making	– Review arrangements for the Rental Housing Support Program to enhance its role with advisory services and tenant groups.	Report on implementation and outcomes of the review. Report on improvements in tenant input.	End 2000/01 Then annual	Advisory committee and the consultant have been appointed. There is a strong emphasis on community consultation through Regional forums, specific focus groups and tenant group discussions. Consultation to occur during August to October 2000.

Key Directions	Planned Outcomes	Milestones and Measures	Report	1999–2000 Performance Report
	– Greater tenant participation in housing management and redevelopment planning and estate based projects.	Report on increases in tenant participation on committees and redevelopment projects.	Annual	During 1999/2000, preparatory work was undertaken on major policy reviews, such as the Segmented Waiting List Review, the Review of the *Residential Tenancies Act 1997*, the Public Housing Eligibility Review, the Victorian Homelessness Strategy, the Housing and Local Government Affordable Housing Policy and the Women's Housing Policy. This work included preparing membership lists for Community Reference Groups and Ministerial Advisory Committees. (These reviews commenced in the 2000/2001 financial year.) Tenant representatives have been involved in Community Advisory Committees (CACs) for 8 of the 11 redevelopment projects that have been announced. (It should be noted that CACs for 3 of these projects completed their work in previous financial years.) These 8 projects are Holland Park (Kensington), Long Gully (Bendigo), Mark/Rundles Streets (Wodonga), Thomson Estate (East Geelong), Victory Blvd (Ashburton), Raglan/Ingles Street (Port Melbourne), Shepparton Estate and Maidstone/Braybrook. Following endorsement of the CAC redevelopment strategy reports, Implementation Community Liaison Committees have been formed for the Holland Park, Long Gully and Thomson Estate projects.

Key Directions	Planned Outcomes	Milestones and Measures	Report	1999–2000 Performance Report
Partnerships with Local Government				
Outcome 1.2: Greater involvement by local government in the planning for and provision of public and community housing	– Increased local government involvement to improve the operation of existing public housing, particularly large estates.	Establish Affordable Housing Steering Committee consisting of State and Local Government representatives. Report on Local Government participation in: – planning and provision of public and community housing; and Report on Local Government participation in OOH initiatives such as the Social Housing Innovations Project.	End 2000/01 Then annual	During the 1999/2000 financial year significant work was undertaken with local government laying the groundwork for a strong partnership between state and local government around affordable housing issues. This included the Housing and Local Government Affordable Housing Policy Workshop, which was held on 30 June 2000, and attended by 37 councils. The aim of the Workshop was to commence the development of a policy framework to allow Local Government to expand its role in affordable housing. The Workshop supported an Affordable Housing Steering Committee to oversee the policy development process and to manage the consultation process. A Community Reference Group will assist at the draft report stage. The consultant for the Social Housing Innovations Project commenced in April 2000. Designing consultation mechanisms with a range of organisations including local government was part of the early work undertaken on the project.
Involving the community				
Outcome 1.3: Increased community involvement in decision making	– Conduct reviews of the segmented waiting list, eligibility criteria for public housing, the *Residential Tenancies Act 1997* and Transitional Housing Management program, with community input.	Report on progress, implementation and outcomes of reviews.	End 2000/01 Then annual	Project briefs, covering project scope, consultation plans and time lines were prepared and approved. Work commenced on selecting Chairs and members for Community Reference Groups for each review.

Key Directions	Planned Outcomes	Milestones and Measures	Report	1999–2000 Performance Report
	– Seek community input into the development of a Women's Housing Policy.	Develop Women's Housing Policy, with community consultation process by June 2001. Report on increased community involvement.	End 2000/01 Then annual	Project brief, covering the scope of the project, consultation plans and co-ordination mechanisms, was developed and approved. A Chair for the Ministerial Advisory Committee was appointed (announced August 2000).

Outcome Area 2 Improving Services to People Who are Homeless				
Victorian Homelessness Strategy				
Outcome 2.1: Develop a Victorian Homelessness Strategy to improve services for homeless people	– Improve services to homeless people through the development of a Victorian Homelessness Strategy that will integrate housing and support assistance.	Establish Ministerial Advisory Council and Interdepartmental Committee by June 2000. Strategy to be finalised by June 2001. Specific outcome measures arising from the Strategy to be agreed after its completion. Assess improvements in services to homeless people.	End 2000/01 Then annual	During 1999/2000, preparatory work for the Victorian Homelessness Strategy was carried out. In addition to developing a detailed project brief, this work included establishing an interdepartmental committee in May 2000 and appointing the Ministerial Advisory Committee in June 2000. N/A for 1999/2000 N/A for 1999/2000
Expand Crisis Supported Accommodation (CSA) and Transitional Housing				
Outcome 2.2: Improved availability of crisis and transitional accommodation	– Establish additional crisis centres where they are most needed, including outer Melbourne and regional Victoria.	Report on improvements in the availability of crisis and transitional accommodation in relation to need.	Annual	Homeless persons assisted 1999/2000 Target 8,270 Actual 8,540 Variance +4% Households assisted at June 30 Target 3,100 Actual 3,022 Variance –3%

Key Directions	Planned Outcomes	Milestones and Measures	Report	1999–2000 Performance Report
				Crisis, Supported & Transitional stock (excl leases) at 30 June 2000 Target 2,320 Actual 2,332 Variance + 1% Leased Stock at 30 June 2000 Target 500 Actual 518 Variance +4% Source: Summary of Housing Assistance Programs NB: These data are provided as a base for comparison in future years. Broader work on establishing new crisis and transitional housing accommodation is being undertaken as part of the Victorian Homelessness Strategy.
	– Expand Crisis and Transitional accommodation properties.	Report on percentage growth and number of Crisis and THM properties.	Annual	See above.
Outcome Area 3 Providing Effective Access and Assistance for Low Income Victorians				
Review of Segmented Waiting List				
Outcome 3.1: Improved balance for allocating assistance between client groups.	– Review the segmented waiting list and eligibility criteria in order to improve access to public housing.	Report on progress and outcomes of the reviews and implementation of changes. Detailed reporting measures to be finalised when reviews are completed, drawing on data analysis undertaken during reviews	End 2000/01 Then annual	See 1.3 above

Key Directions	Planned Outcomes	Milestones and Measures	Report	1999–2000 Performance Report
Increased housing opportunities for those with complex needs				
Outcome 3.2: Increased housing opportunities for those with complex needs	– Increase the proportion of stock suitable for aged and disabled clients and people with complex needs.	Report on increases in the number and proportion of stock meeting accessible housing standards; and Report on the number of allocations to people with complex needs and proportion of these relative to total allocations.	Annual	During 1999/2000, changes were made to the way in which disability modifications were classified. The new classification system has three levels: Full: full disability modified, including kitchen and laundry modifications Major: including hoist installed, parking bay modified, disabled shower, disabled WC, wheelchair access, fire sprinkler system and disabled bath. Minor: including disabled hand basin, handrails, shower seat, disabled taps, wheelchair grab rails, hand held shower set, additional smoke alarms, lever door handles and relocated power points. At September 1999, prior to this reclassification, some 13,800 (19.3%) of the portfolio had some form of modification including 1,615 substantially modified, more than 11,000 with minor modifications (including 5,279 walk-in showers) and 1,142 with disability access ramps. By November 2000, some 6,945 properties have disabled modified showers and 2,301 properties have ramps installed, increases of 31% and 21% respectively. Data on modified properties on a financial year basis will be available from 2000/2001. Complex need allocations (defined as Segments 1, 2 & 3 of the Waiting List) for 1999/2000 were 4,284 (38.8% of total).

Key Directions	Planned Outcomes	Milestones and Measures	Report	1999–2000 Performance Report
Assistance to Low Income Households				
Outcome 3.3: Improved access to housing assistance for low income households	– Improve housing assistance to low income clients in need through modest growth in total stock of approximately 2% over the agreement period.	Report on number and % growth in total stock numbers.	Annual	Total OOH dwellings at 30 June 2000 = 71,475 % increase from previous year = 1.3%
Outcome Area 4 Maximising the Ability of Public Housing Assets to Respond to Need				
Acquisitions				
Outcome 4.1: Increased stock levels	– Modest growth in total stock. – Stock acquisitions made with regard to needs assessment. – Increase in the proportion of smaller properties with regard to needs assessment.	Report on the numerical and % growth in total stock pool. Report on increase in the number and proportion of properties with 2 bedrooms or less for inner metropolitan, outer metropolitan and regional areas.	Annual Annual	Total OOH dwellings at 30 June 2000 = 71,475 % increase from previous year = 1.3% Inner City = 16,513 (1.5% increase) Outer City = 12,255 (3.9% increase) Country = 10,624 (2.5% increase)
Physical improvements				
Outcome 4.2: Physical improvements to housing stock	– Improve condition and amenity of housing stock with emphasis on energy efficiency.	Report on expenditure on physical improvements, noting that this includes energy efficiency elements such as ensuring all upgraded properties are insulated. Report on the number of properties significantly upgraded.	Annual	The physical improvement budget for 1999/2000 was $111m. The main achievements for 1999/2000 were: – 2260 units upgraded substantially in high rise, walk-ups, other flats and villas (est) – 48 generators installed in High Rises – 320 units treated for spalling concrete. – 212 boilers services & maintenance at 78 separate sites. – 123 properties inspected for building movement. – 110 lifts serviced and maintained. – 320 CRU's fitted with fire sprinklers

Key Directions	Planned Outcomes	Milestones and Measures	Report	1999–2000 Performance Report
		Establish energy efficiency demonstration projects.		– 102 Comac properties fitted with fire sprinklers – 775 fire services audits completed. – 9 bed sitter conversions projects completed in walk ups. – 480 units demolished. – 1500 sites with fire equipment maintained Further general works completed include disability upgrades, fire rectification, services and civil improvements, external painting of high-rise and walk-ups, etc. The OOH has initiated a review of its current energy standards for 1999. New specific energy efficient principles have been incorporated into the construction standards. Key features are: – site specific plan orientation and design features; – reduced reliance on non-renewable resources including the use of energy efficient technologies such as solar hot water systems; and – consideration given for the use of construction materials that are environmentally safe, renewable, and have low environmental impact. The OOH [has] also [begun] reviewing the standard of its existing properties in terms of energy efficiency and requires a detailed property audit to be undertaken in order to determine the current status of energy performance. The above standards will be incorporated into house plans for new construction when finalised.

Key Directions	Planned Outcomes	Milestones and Measures	Report	1999–2000 Performance Report
	– Improve fire safety.	Number and percentage of high rise buildings that have had sprinklers and hose reels installed. Report on progress in implementing other fire safety initiatives.	Annual	As at 30 June 2000, 11 of the 43 high-rise blocks had sprinklers installed. Of these, 7 were completed during the 1999/2000 financial year. 19 of the 43 high-rise blocks had hose reels installed at 30 June 2000. Smoke detectors have been installed in all units.
Redevelopment				
Outcome 4.3: More appropriate housing stock	– Progressively implement high-rise, walk-up and regional estates redevelopment projects.	Report on progress with individual redevelopment projects, including: – establishment of local committees; – planning permits; – tendering processes; and – construction Assess improvements in the appropriateness of the redeveloped stock to client needs. Report on number and percentage of units in walk-up estates such as Kensington, Richmond, Carlton and Raglan/Ingles demolished and replaced on-site or off-site.	Annual	See 1.1 above N/A in 1999/2000 No walk-ups in high-rise estates were demolished in 1999/2000. However, redevelopments were announced for Raglan/Ingles (South Melbourne), Holland Park (Kensington), Richmond and Carlton. See 1.1 above for details of progress on these redevelopments.

Key Directions	Planned Outcomes	Milestones and Measures	Report	1999–2000 Performance Report
	– Increase the proportion of public housing stock that meets the need for smaller properties.	Report on the number and percentage of 1 and 2 bedroom properties.	Annual	Inner City = 16,513 (1.5% increase) Outer City = 12,255 (3.9% increase) Country = 10,624 (2.5% increase)
Outcome Area 5 Achieving Sustainable Public Communities				
Sustainable Community Projects — Major Redevelopments				
Outcome 5.1: Improved public housing environments	– Improve the physical fabric and amenity of public housing estates.	Report on improvements in the physical fabric and amenity of public housing estates being redeveloped. (See also outcome 4.3) Housing Manager Surveys from 1998 and 2000 will form the basis of evaluation for completed redevelopment projects. These Surveys use indicators such as physical stock condition and degrees of social problems. For second and subsequent	Annual	See 1.1 and 4.3 above. Work began in 1999 on a Memorandum of Understanding between the Sustainable Energy Authority Victoria (SEAV) and the OOH. The overall objective of cooperative action between the OOH and SEAV is to: improve the energy efficiency of public housing; reduce greenhouse gas emissions; and reduce energy bills for tenants. The MOU sets out the respective roles of the OOH and SEAV and the process for working cooperatively to identify and implement opportunities for improving the thermal efficiency of the existing public housing stock. SEAV in conjunction with the OOH, will review standards for appliance efficiency to ensure that the most efficient, lowest greenhouse gas emission appliances are used within the cost limits required by OOH. Many features and standards identified through this process will apply to all new and existing public housing when finalised.

Key Directions	Planned Outcomes	Milestones and Measures	Report	1999–2000 Performance Report
		years of the Agreement, Victoria and the Commonwealth will negotiate additional outcome measures that not only assess improvements in stock condition and amenity but also attempt to measure broader outcomes such as tenant satisfaction and integration with surrounding communities that could contribute to sustainable public housing communities.		N/A in 1999/2000
Commonwealth involvement in community participation				
Outcome 5. 2: Sustainable community projects	– Seek opportunities for joint demonstration and research projects between the Commonwealth and Victoria.	Report on joint demonstration and research projects established.	Annual	During 1999/2000, work was undertaken on establishing joint projects under the Family and Community Network Initiatives Program. Initial work commenced on projects at Braybrook/Maidstone and Long Gully (Bendigo). Further progress will be included in the 2000/2001 CSHA report.
Managing for involvement and sustainability				
Outcome 5.3: Increased community involvement	– Improved tenant involvement in public housing.	Report on increases in tenant input into social and environmental issues impacting on tenants' communities.	End 2000/01	Three tenant group representatives have been appointed to the RHSP review Advisory Committee. A key focus of the review is the consideration of strategies to increase tenant participation. Community consultative committees, which include tenant representatives, are established for redevelopment and upgrade projects on public housing estates to achieve community and tenant input in project development and outcomes.

Key Directions	Planned Outcomes	Milestones and Measures	Report	1999–2000 Performance Report
				Initial work began in 1999 on developing a framework for tenant input into environmental issues. The draft framework includes; – Promoting the principles of energy and environment management through tenant information, consultation and community development. In particular, initiatives to improve household waste recycling, water and energy conservation in public housing; and – Establishing communication and consultation processes with tenants.
	– Community development projects trialled with a view to informing future directions for the Office of Housing. eg Jesuits Social Services project in City of Yarra, Collingwood "Work for the Dole" Scheme.	Report on progress in projects. Report on evaluation of projects including: – Appointment of external evaluator for Jesuit Social Services Project (due by 31/12/00) ; and – Evaluation of Collingwood Work for the Dole Scheme (due 30/10/00).	Annual	Funding for Jesuit Social Services has been approved for a three year period from 1 July 2000 to work with residents and service providers on public housing estates in Collingwood, Richmond, Fitzroy and North Fitzroy. The aims of the project are to develop and implement a range of initiatives, which will strengthen local communities whilst dealing with a number of difficult issues including safety and security, employment, education and participation. The Work for the Dole scheme is proceeding on the Collingwood public housing estate. The project was funded on the basis that 15 long-term unemployed people will gain gardening and horticultural skills while improving the garden areas on the estate.

Key Directions	Planned Outcomes	Milestones and Measures	Report	1999–2000 Performance Report
Outcome Area 6 Increased Community Partnerships in the Provision of Publicly Funded Housing				
Building community housing sector viability				
Outcome 6.1 & 6.2: Building the viability of the community housing sector	– Improved training and development infrastructure for the community housing sector as a result of the Community Housing Training Initiative.	Report on the outcomes of the Community Housing Training Initiative, including the number of programs offered and the number of participants.	Annual	A training position was created in the Community Housing Group and a training officer appointed in December 1999. A major task of the training officer is to develop a training strategy for the sector. Training courses provided during the 1999/2000 financial year were as follows: – Graduated Certificate in Housing Management and Policy, 12 first year students and 4 second year. – 2 short courses "Introduction to the Residential Tenancies Act" commenced. 40 participants. – A number of other relevant short courses were funded for 8 participants.
Outcomes 6.3 & 6.4: Improved community housing mechanisms	– Expansion in community housing and partnership programs.	Number and percentage increase in stock in this category.	Annual	Community Managed Housing – 5,249 (9.3%) Other – 2,201 (0.4%)
	– Innovative models for housing assistance involving local government, community agencies, religious organisations and the private sector, to expand affordable housing solutions.	Progress report on Social Housing Innovations Project. Interim Report due October 2000. Report on project process, implementation and outcomes, including innovations to expand affordable housing.	Annual	Consultant for the Social Housing Innovations Project commenced in April 2000. Detailed reporting to be provided for the 2000/2001 financial year, following completion of the consultation project.

Key Directions	Planned Outcomes	Milestones and Measures	Report	1999–2000 Performance Report
Outcomes 6.5 & 6.6: Improved coordination in community housing	– Increased community sector participation in planning and identifying local need.	Report on community consultation processes and their outcomes.	Annual	During 1999/2000, work commenced on a number of projects that incorporated community consultation on housing need. These projects included the Social Housing Innovations Project and the Victorian Homelessness Strategy. Community consultations for these projects were held after July 2000 and will be included in the 2000/2001 performance report. Planning for local housing need is also an important element in redevelopment projects and the Housing and Local Government Affordable Housing Policy. See 1.2 above for detail.
	– Improved access to community housing through increased flexibility in stock use and service delivery.	Progress report on changes to access arrangements and stock use for community housing.	Annual	See above
Outcome Area 7 Home ownership assistance				
Review of existing loans				
Output 7.1: Ongoing management of existing loans	– Examine poorly performing loans and implement strategies for their management.	Number and proportion of loans 1 or more month in arrears and % change from previous year.	Annual	As at June 30, 2000 there were 737 HF loans one or more months in arrears. This represents 5.75% of the loan portfolio and is 1.65% higher than at 30 June 1999. Processes are being implemented to reduce the incidence of arrears. However, with portfolio continuing to decline in size, an unchanging target becomes more challenging.
New Loans — Group Self Build & Home Renovation Programs				
Outcome 7.2: Responding to needs not met by the market	– Continued Group Self Build (GSB) program.	No of GSB commencements, compared with 1999/2000 as a base year.	Annual	The number of GSB commencements at 30 June 2000 was 12. This is forecast to increase to 60 during 2000/01.

Key Directions	Planned Outcomes	Milestones and Measures	Report	1999–2000 Performance Report
	– Continued Home Renovation Advice and loan program for elderly and/or disabled home owners.	Report on: – number of Home Renovation inspection reports and % change from previous year; and – number and value of new Home Renovation loans written in the year.	Annual	For the financial year ending 30 June 2000, 91 Home Renovation loans were written with a total value of $561,919. For 1999/2000, 3837 home renovation reports were undertaken. This is up nearly 19% from 1998/99.
Outcome Area 8 Improving Indigenous Housing				
Self Management				
Outcome 8.1: Increased Autonomy	– Increase autonomy for the Aboriginal Housing Board of Victoria (AHBV) in management and service delivery of Aboriginal Housing in accordance with AHBV State Plan.	Establish and fund 3 key autonomous management positions outside the Office of Housing.	Annual	During 1999/2000, in line with outcomes from the AHBV strategic planning process, organisational changes were made that consolidated Aboriginal housing operations in Victoria. These included the relocation of the Aboriginal Housing Unit, formally with Aboriginal Affairs Victoria with the Aboriginal Housing Board. Recruitment to the 3 key management positions is part of this restructure and will be completed during 2000/2001.
Additional Funding				
Outcome 8.2: Stock Improvements and Addition	– Continued expansion and upgrade of AHBV stock.	Report on number and % growth in AHBV stock numbers. Report on numbers and percentage of AHBV stock upgraded.	Annual	As at 30 June 2000, there were 1,042 AHBV properties (a 3% increase for the year) During the year, 99 AHBV properties were upgraded (9.5% of the stock base above)

Key Directions	Planned Outcomes	Milestones and Measures	Report	1999–2000 Performance Report
Outcome Area 10: Improving Financial Outcomes				
Efficiently manage rental operations				
Outcome 10.2: Improving the efficiency of rental operations	– Maintain or improve OOH financial position.	Operating Statement and Balance Sheet. This statement provides information on matters such as: – Capital expenditure, particularly physical improvements; – Changes in asset value over time; – Project management costs; and – Debt repayments.	Annual	See attachment 1
Grants and subsidies				
Outcome 10.3: Outputs from grants and subsidies	– Continued support for community agencies through grants and subsidies	Report grants and subsidy expenditure on HEF, THM and community housing stock.	Annual	See attachment 1

REPORT ON OUTPUT TARGETS

Housing Assistance Outputs	Current year Target 1999-2000	Current year Actual 1999/2000	Result	Following year Target eg 2000-2001
Director of Housing (DoH) Stock Acquisitions during year				
Crisis Supported and Transitional Housing properties (excluding leasing)	110	128	116.4%	140
Public rental properties (gross, including Supported Housing)	1,720	1,681	97.7%	1,040
Supported housing acquisitions (included in Public Rental)	120	138	115.0%	150
Long Term DoH Community managed properties	170	161	94.7%	110
Aboriginal Housing Board Victoria AHBV properties	110	100	90.9%	90
Total DoH Acquisitions during year	**2110**	**2,070**	98.1%	**1,380**
Director of Housing (DoH) stock at end of period				
Crisis Supported and Transitional Housing (excluding leasing)	2,320	2,332	100.5%	2,460
Total long term public rental properties (gross, including Supported Housing)	65,560	65,184	99.4%	65,570
Supported housing stock (included in Public Rental)	1,010	1,026	101.6%	1,160
Long Term DoH Community managed properties	2,720	2,917	107.2%	2,810
Aboriginal Housing Board Victoria (AHBV) properties	1,070	1,042	97.4%	1,110
Total Director of Housing stock (excluding leasing)	**71,670**	**71,475**	99.7%	**71,950**
leasing for Transitional Housing	500	518	103.6%	500
Total DoH stock including leasing	**72,170**	**71,993**	99.8%	**72,450**
Community owned Community managed properties (eg Joint ventures, Housing Trusts, Common Equity Rental Co-ops (CERCs))	2,190	2,201	100.5%	2,190
Total Housing Assistance stock (incl leasing and com owned)	**74,360**	**74,194**	99.8%	**74,640**
ASSISTANCE DURING PERIOD				
Crisis Supported and Transitional (estimates)	**8,270**	**8,540**	103.3%	8,900
Long Term Assistance during year				
Public Rental Allocations (including transfers)	11,120	11,051	99.4%	11,150
Community Managed (incl CERCs) (est)	1,780	1,754	98.5%	1,820
Total Allocations (households assisted) during year (AHBV)	260	262	100.8%	270
Total Households assisted during year with long term	13,160	**13,067**	99.3%	13,240
Total Households assisted during year with Public Rental/CMH	**21,430**	**21,607**	100.8%	**22,140**
PRIVATE RENTAL ASSISTANCE				
Private rental bond loans during year	14,000	13,885	99.2%	14,000
No assisted through Housing Estab. Fund (HEF) (est)	12,000	21,070	175.6%	12,000
Total Households assisted during year with long term	**26,000**	**34,955**	134.4%	**26,000**
HOME OWNERSHIP ASSISTANCE				
Home renovation inspections during year	3,500	3,885	111.0%	3,500
New loans during year	160	113	70.6%	170
Group self-build commencements during year (incl in new loans)	60	12	20.0%	70
Total Home finance assistance during year	**3,660**	**3,998**	109.2%	**3,670**
HOUSEHOLDS ASSISTED DURING PERIOD	**51,090**	**60,560**	118.5%	**51,810**

Attorney-General: VCAT remuneration review

427. DR DEAN — To ask the Honourable the Attorney-General with reference to the review set up by the Attorney-General concerning the remuneration of Victorian Civil and Administrative Tribunal members — (a) who will undertake the review; (b) when will the results of the review be reported to the Attorney-General; and (c) when will the Attorney-General release the results of the review.

ANSWER:

(a) The review of VCAT salaries will be undertaken by a team from Hewitt Associates led by Mr Simon Hare.

(b) It is anticipated that the results of the review will be reported in early October 2001.

(c) The results of the review will be made available after I have had an opportunity to consider the consultants' report.

Community Services: South Barwon preschools

431. MRS ELLIOTT — To ask the Honourable the Minister for Community Services with reference to four-year-old preschool classes in the Highton, Belmont and Grovedale areas — for each facility what is the — (a) current enrolment, (b) capacity; and (c) availability of places.

ANSWER:

Current preschool enrolment numbers for each funded preschool location are provided for each area in the tables below.

The capacity of the children's service is defined by the licensed capacity. The licensed capacity for each funded preschool location is provided for each area in the tables below.

The number of available places cannot be determined by Government data. This is because not all of the licensed capacity may be used for preschool, as is the case for long day care services providing a funded preschool program. Additionally some families self-fund the preschool place, utilising the capacity of the service but not being accounted for as a Government funded place.

Conversely, there may be more funded places than the licensed capacity when the preschool operates a rotational model of preschool program, thus operating multiple programs across the week.

HIGHTON

Preschool Location Name	Funded preschool enrolment numbers	Licensed Capacity
Bellevue Preschool	50	30
Highton Preschool Centre	49	28
St Lukes Highton Kindergarten	28	30
Town and Country Children's Centre	11	90

BELMONT

Preschool Location Name	Funded preschool enrolment numbers	Licensed Capacity
Alexander Thomson Kindergarten.	52	30
Belmont Community Kindergarten.	50	30
Williams House Kindergarten	69	45

Preschool Location Name	Funded preschool enrolment numbers	Licensed Capacity
Highton Child Care & Development Centre Pty Ltd	0	60

GROVEDALE

Preschool Location Name	Funded preschool enrolment numbers	Licensed Capacity
Grovedale Preschool	50	30
St Paul's Lutheran Kindergarten	15	29
Greenville Kindergarten	50	26
Grovedale East Kindergarten	31	30
Grovedale Children's Services	17	95

Transport: Vicroads noise amelioration works

432. MR WILSON — To ask the Honourable the Minister for Transport with reference to noise amelioration works in each Vicroads region —

1. What amount did each Vicroads region spend on noise amelioration works in 2000–01.

2. For each project with a value of $200,000 or over in 2000–01 what was the — (a) location of the project; (b) road treated; (c) type of works carried out; (d) metres or kilometres of fencing or other measures installed; (e) type of fencing, barrier, or other measure installed; and (f) months when works were undertaken.

3. For each proposed project with a value of $200,000 or over in 2001–02 what is the — (a) location of the project; (b) road treated; (c) type of works carried out; (d) metres or kilometres of fencing or other measures installed; (e) type of fencing, barrier, or other measure installed; and (f) months when works will be undertaken.

ANSWER:

1. Metropolitan South East Region $3.44M
   Metropolitan North West Region $4.34M
   Northern Region $0.13M
   South Western Region $1.46M
   Eastern, North Eastern and Western Nil

2. **Metropolitan South East**

   Eastern Freeway, Collingwood to North Balwyn
   Construct noise fence varying from 1.3m to 6m high and associated landscaping
   Length – 4640m
   Type – Plywood with some clear acrylic panels
   Works Undertaken – April 2000 to May 2001

   Frankston Freeway, at Beach Street overpass, Frankston
   Construction of 3m high noise fence
   Length – 235m
   Type – Plywood with some clear acrylic panels
   Works Undertaken – April 2000 to May 2001

Metropolitan North West

Geelong Road, Laverton North to Little River
Noise amelioration as part of road widening/upgrade works
Length – 5980m
Type – Timber noise fences with feature panels
Works Undertaken – December 2000 to June 2001

South Western Region

Geelong Road, Little River to Corio
Noise amelioration as part of road widening/upgrade works
Length – 2730m
Type – Timber noise fences, rock gabion noise walls
Works Undertaken – November 2000 to June 2001

3. Metropolitan South East

Eastern Freeway, Collingwood to North Balwyn
Completion of landscaping and minor works
No additional length
Type – Plywood with some clear acrylic panels
From August 2001 to September 2001

Eastern Freeway, Hoddle Street to Alexander Parade, Collingwood
Construct noise fence varying from 2m to 4m high and associated landscaping
Length – 543m
Type – Plywood with some clear acrylic panels
From April 2002 to September 2002

Frankston Freeway, Beach Street overpass, Frankston
Construction of 3m high noise fence
Length – 293m
Type – Plywood with some clear acrylic panels
From April 2002 to September 2002

Metropolitan North West

Geelong Road, Laverton North to Little River
Noise amelioration as part of road widening/upgrade works
Length – 1980m
Type – Timber noise fences with feature panels
From July 2001 to June 2002

Calder Freeway, Diggers Rest
Noise fencing
Length – 468m
Type – 3m high timber fence
From December 2001 to February 2002

South Western Region

Geelong Road, Little River to Corio
Noise amelioration as part of road widening/upgrade works
Length – 2870m
Type – Timber noise fences, rock gabion noise walls
From July 2001 to September 2001