PARLIAMENT OF VICTORIA

PARLIAMENTARY DEBATES (HANSARD)

LEGISLATIVE ASSEMBLY

FIFTY-FIFTH PARLIAMENT

FIRST SESSION

Tuesday, 16 August 2005

(extract from Book 2)

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By authority of the Victorian Government Printer

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The Lieutenant-Governor

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Parliamentary Services — Secretary: Dr S. O'Kane

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FIFTY-FIFTH PARLIAMENT — FIRST SESSION

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Deputy Leader of the Parliamentary Labor Party and Deputy Premier:
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Mr R. K. B. DOYLE

Deputy Leader of the Parliamentary Liberal Party and Deputy Leader of the Opposition:
The Hon. P. N. HONEYWOOD

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Mr P. J. RYAN

Deputy Leader of The Nationals:
Mr P. L. WALSH

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Kosky, Ms Lynne Janice	Altona	ALP	Wells, Mr Kimberley Arthur	Scoresby	LP
Kotsiras, Mr Nicholas	Bulleen	LP	Wilson, Mr Dale Lester	Narre Warren South	ALP
Langdon, Mr Craig Anthony Cuffe	Ivanhoe	ALP	Wynne, Mr Richard William	Richmond	ALP

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TUESDAY, 16 AUGUST 2005

Tuesday, 16 August 2005

The SPEAKER (Hon. Judy Maddigan) took the chair at 2.02 p.m. and read the prayer.

QUESTIONS WITHOUT NOTICE

Police: database security

Mr WELLS (Scoresby) — My question without notice is to the Minister for Police and Emergency Services. Last week the minister said that the improper release of 450 confidential files by the Office of Police Integrity was something Victorians would expect to never happen again. What is the minister's response to the revelation of 1000 confidential files being inappropriately released less than a week after his statement?

Mr HOLDING (Minister for Police and Emergency Services) — I thank the member for Scoresby for his question. The government has already indicated today that it finds the release of the information that has been detailed in this morning's newspaper incomprehensible. For that reason I yesterday sought from the Chief Commissioner of Police an explanation as to how this release of information could have occurred. I look forward to receiving that explanation as soon as possible.

Premier: national reform initiatives

Mr STENSHOLT (Burwood) — My question is to the Premier. Can the Premier detail for the house any recent Victorian government initiatives that seek to reform the COAG relationship and help Australian governments work better together?

Mr BRACKS (Premier) — I thank the member for Burwood for his question. I indicate to the house that before the last Council of Australian Governments (COAG) meeting this government took a position on infrastructure and skills and also on a draft communiqué which recommended a national reform initiative which I am pleased to say was adopted by other states and territories and adopted in full by the Prime Minister the night before the COAG meeting but also during the meeting itself.

The Council of Australian Governments resolution was the resolution drafted by Victoria and adopted by the members of COAG — the state and territory leaders — and the Prime Minister supported it. The council resolved that each state would lead different parts of work coming out of the COAG agenda, and Victoria's role was to lead the discussions and debate around the country on the national reform initiative — and that is exactly what it has done.

I was very pleased therefore to have released prior to the COAG meeting, which will occur some time towards the end of this year or next year, a proposal from Victoria for a third wave of national reform, given of course that the very good economic news we now have around Australia continues. It is significant and profound economic news, and it is largely to do with the reform agenda which was running through the Australian economy in both the late 1980s and the 1990s — that is, the opening up of the economy, reducing tariff barriers, floating the dollar, deregulating financial markets and, a decade later, examining anticompetitive practices within Australia, which was done through the national competition policy. This work has borne fruit, and as a result of those reforms we can see a more productive Australia. But of course they have finished, and we know that with our ageing population and low skill base — not in the level of skill, but in the numbers of people who are able to take the opportunities — we will have significant issues in the future if we do not address those matters now. We know that in the future we will have both an ageing population and a skills shortage.

Therefore our paper concentrates on work that was undertaken through the Department of Treasury and Finance and the Department of Premier and Cabinet. That work went to the areas which would increase our productivity and increase participation in the work force — which would result in increased productivity. The highest indicator of that was skills and education and training, which of course is the central part of the proposal in the national reform initiative. We are looking at making sure that across the nation we can increase the secondary school retention rate to year 12, we can increase literacy and numeracy and we can have significant post-school opportunities as a result of doing that. Secondly we looked at business and infrastructure regulation and sought some common understandings and positions to improve that regulatory environment across Australia in the future. Thirdly we looked at the health and wellbeing of our workers to allow for greater participation and longevity in the work force. Lastly we looked at appropriate work incentives as part of that.

The recommendations contained in the national reform initiative would, if completed, lead to an extra $65 billion of gross domestic product being obtained through these reforms and changes. That is about $3000 extra per person, and I note and of course welcome the endorsement and support of the Business Council of Australia, the Australian Industry Group and other organisations that have concurred with this agenda and

said that effectively we need to make sure we can increase the skill base of the nation and deal with the ageing population and do so in a comprehensive way.

When you look at the other indicators of productivity improvement and participation in the work force, what comes out low — and I should add this to the comments made here in the house — is the industrial relations reform agenda of the federal government. I know there has been some criticism of the report by the federal government, saying that it did not include industrial relations. It did actually include industrial relations, but it came down saying, effectively, that industrial relations would do nothing to improve productivity and participation in the work force in the future. In fact it could do a lot to drive people out of the work force, as we have less security in the future.

Mr Ryan — On a point of order, Speaker, the Premier has been speaking for more than 4 minutes, and I ask you to have him complete his answer.

The SPEAKER — Order! I understand the Premier was about to complete his answer.

Mr BRACKS — In conclusion, Speaker, I am pleased that Victoria has accepted its responsibility to take up the national reform initiative, which we were charged to do under the COAG agenda. We have produced what I believe is a comprehensive paper, which will improve the productivity of the economy in Australia and therefore, of course, significantly, for 25 per cent of Australia — 25 per cent of the economy in Victoria.

Police: database security

Mr RYAN (Leader of The Nationals) — My question is to the Premier. I refer to the repeated leaking of police files and I ask: since the working-with-children legislation requires police checks for 500 000 Victorian volunteers to be provided to a government department, who will the Premier blame when that information leaks?

Mr BRACKS (Premier) — I thank the Leader of The Nationals for his question. As he would understand, the working-with-children checks will be implemented over a period of time and progressively over a number of years, as we work with categories and individuals. I think the last of those is the large volunteer group in the community. I am very confident, of course, that the implementation of that will be done effectively and successfully.

Education: national reform initiatives

Ms CAMPBELL (Pascoe Vale) — My question is to the Minister for Education and Training. I refer the minister to the Premier's announcement calling on the commonwealth, state and territory governments to engage in further national reform and ask the minister to detail for the house how the outlined reforms in education and skills could benefit Victoria.

Ms KOSKY (Minister for Education and Training) — I thank the member for Pascoe Vale for her question. As the Premier has outlined to the house, on Sunday he launched a Victorian government paper, *A Third Wave of National Reform*. That paper highlights the need to improve work force participation and productivity and focuses very much on education and training as having the single greatest impact on work force productivity and participation. The paper calls on all governments to increase the proportion of students achieving benchmark levels for years 3, 5 and 7 levels of reading, writing and numeracy. It also calls on all governments to increase the proportion of young people completing year 12 or its equivalent, participation in vocational education and training by the working-age population and the proportion of people entering post-compulsory education.

A Third Wave of National Reform identifies that there is nothing more important to national prosperity than building an individual's skills in the area of education and training. The most significant influence on the growth of an individual's capabilities and life chances is, as we know, education and training. The government knows this and has invested enormously in education and training — an extra $5.23 billion in education and training since we came to office.

A recent report prepared not by government but for the Business Council of Australia shows that this investment in Victoria is paying great dividends. It points out that 71.8 per cent of 2003 school leavers were in full-time work or study, compared with the Australian figure of 68.7 per cent. So we are leading the way. In 2004, 85.2 per cent of Victorians aged between 20 and 24 years had completed year 12 or its equivalent. That is up from 82.9 per cent in 1999. So we have been increasing the outcomes for students, after the damage that was done by the previous government.

For the four quarters to December 2004, Victoria had the highest number of apprenticeship and traineeship completions of any state or territory. That is a record of which we are very proud and I would have thought that the other side of the house would in fact have joined us.

Mr Honeywood interjected.

Ms KOSKY — I am coming to that. Some 47 300 people completed apprenticeships and traineeships in those four quarters.

We cannot rest on our laurels and we do not want to, and that is what *A Third Wave of National Reform* is really about. It is why the government has put in place a review into the vocational education and training system in Victoria — so that we can continue to improve in Victoria but also add to that national debate around skills and training. *A Third Wave of National Reform* really emphasises the need for a cooperative approach in relation to tackling these challenges. We need to work with the commonwealth, and it needs to work with us, in that cooperative way to identify those challenges and strategies. Indeed between 1997 and 2003 the Victorian government increased funding for the TAFE sector by 44.3 per cent. In the same period commonwealth funding increased by only 3.9 per cent. And in fact during that period, if the commonwealth had increased its funding — —

Mr Plowman — On a point of order, Speaker, I believe the minister has been speaking for over 4 minutes, and I ask her to complete her answer.

The SPEAKER — Order! The minister has just been speaking on 4 minutes, so I ask her to draw to a conclusion.

Ms KOSKY — If the commonwealth had increased its funding at the same level that the Victorian government increased its funding between 1997 and 2003, we would have had 20 000 young people every year who would have had the opportunity to develop their skills. Instead the federal government is looking overseas to import the skills. Rather than investing here, it wants to import those skills — a very short-term solution to a long-term problem. We want and need a cooperative approach. The paper that the Premier launched on Sunday is a very serious paper about the reform of the economy across Australia. Indeed if the commonwealth is serious, then it will join the debate and the discussion and have a strong focus on education and training.

Police: database security

Mr DOYLE (Leader of the Opposition) — My question is to the Minister for Police and Emergency Services. I refer to the investigation by the Office of Police Integrity and Victoria Police into the allegation that a prison officer's confidential law enforcement assistance program data was improperly accessed between February 2002 and November 2004, and I ask: why was the officer told that no improper access had occurred when more than 60 pages of improper access were recorded and later revealed?

Mr HOLDING (Minister for Police and Emergency Services) — I am surprised that the Leader of the Opposition is in a position where he can conclusively describe to this Parliament or to the Victorian people what the circumstances are of this release of sensitive information. We are not in a position to say at this stage what has occurred in this instance. Instead we need to make sure that we get the full facts from the Chief Commissioner of Police to make sure that we get to the bottom of what has occurred in this situation so that we can provide appropriate information to the Victorian people.

Health: national reform initiatives

Mr HUDSON (Bentleigh) — My question is to the Minister for Health. I refer the minister to the Premier's announcement calling on the commonwealth, state and territory governments to engage in further national reform and ask the minister to detail for the house how such reform could benefit the Victorian health system.

Ms PIKE (Minister for Health) — I thank the member for Bentleigh for his question. The Bracks government is leading Australia with initiatives to reform and modernise our health system and to meet the growing demand for health care into the future.

The paper released by the Premier on Sunday, *A Third Wave of National Reform,* clearly identifies the need for further strategic investment in public health and strategies to tackle chronic disease. Chronic illnesses like heart disease, respiratory conditions and diabetes account for nearly 70 per cent of health expenditure, and with the ageing of the population the proportion is due to rise. In Victoria public health initiatives like smoking reform, which has now brought the smoking rate down to 16 per cent — the world's best — and also initiatives like Go for Your Life, which encourages more physical activity and healthier diets for Victorians, are terrific.

We want all jurisdictions, including the commonwealth, to invest in population health and preventive measures. Similarly initiatives like the hospital admission risk program, the primary care partnerships and other innovations have resulted in dramatic reductions in avoidable hospital admissions for people with complex and chronic illnesses. There is a great opportunity for these now to be expanded on a national basis. By integrating commonwealth and state responsibility and

focusing on patient-centred health care, we can reduce the duplication of services and improve productivity and efficiency in health.

Victoria is committed to engaging in the further reform of its health arrangements not only for the benefit of the Victorian community but for people right around the country. The demands for this are very clear. The income lost through poor health is estimated to be more than $1 billion a year, so the case for cooperation in health care reform is absolutely overwhelming. It is about the productivity of our nation and that is why it needs to be part of the third wave of national reform. Progress will be identified by reducing the proportion of working age people who are not participating in the work force due to ill health. We can do that by reducing chronic disease, by reducing the prevalence of obesity, smoking and poor diet and by making sure that we have a seamless health care system that serves the needs of patients in our community.

The Bracks government's initiatives for further reform are very important for the economic development of our country as well as for the physical wellbeing of our work force. I ask all members of this house to work collaboratively and to engage the commonwealth and encourage it to come on board in this very critical agenda which has the potential to shape our future prosperity.

Police: database security

Mr WELLS (Scoresby) — My question without notice is to the Minister for Police and Emergency Services. I refer the minister to the fact that the whistleblower's email account was hacked into and that mail and an entire file was deleted without his knowledge or consent, and I ask: who has such direct access to Department of Justice employees' email files?

Mr HOLDING (Minister for Police and Emergency Services) — Where we are at with this situation is that obviously a significant release of information has occurred. The government is of the view that it is incomprehensible that this release of information could have occurred in the context in which it has, and from that perspective we have sought information from the Chief Commissioner of Police so that we can ascertain how this information came to be released. At the same time the ethical standards department is conducting an investigation into the allegations made by the corrections officer in relation to access to his database on prior occasions.

We take the view that we need to wait until these investigations have been concluded before we can make any allegations, unsubstantiated or otherwise, as to what has occurred in this instance.

Manufacturing: national reform initiatives

Mr LIM (Clayton) — My question is to the Minister for Manufacturing and Export. I refer the minister to the government's commitment to support the Victorian manufacturing sector and ask: will the minister detail to the house what the government is doing to make Victoria the best place to be for manufacturing?

Mr HAERMEYER (Minister for Manufacturing and Export) — I thank the member for Clayton for the interest he shows in manufacturing in his electorate and in the many people employed in the manufacturing sector. As the house will appreciate Victoria is the heartland of Australia's manufacturing, and manufacturing is the heartbeat of Victoria's economy. Manufacturing contributes $26.7 billion to our economy; it employs 330 000 people, it employs 13 per cent of our work force and is easily the largest full-time employer in our state.

Since coming to office this government has facilitated more than $6.6 billion in new investment in manufacturing, and we have created some 16 000 new jobs in manufacturing. We have done that by being committed to building the manufacturing sector and creating a greater export focus. In particular, we have been doing it through targeted tax cuts to create a very competitive tax regime in this state; about new infrastructure, we got record investment in infrastructure in this state — roads, rails, ports, you name it! We have also demonstrated a high level of support for technology transfer, for innovation, for export support, continuous workplace improvement, education, skills and particularly capability development.

However, we are facing a major challenge through globalisation of the economy: whilst the industrialisation of economies like China, India and Eastern Europe certainly opens up some opportunities for mature industrialised nations like Australia, it certainly also poses some major challenges. We are a relatively small economy by virtue of our population, so we do not have the market power of the United States or of Europe. We need to have an industry plan; we need to have a strategy for manufacturing; we have not had one since the Button plans.

I very much welcome the Premier's third-wave initiative, because Australia needs to start playing as Team Australia — it needs the states, the

commonwealth, its industries, unions and research sector all working together to find the way forward. We do not need the sort of division that seems to be advocated by the people opposite. That is why I met federal Minister Macfarlane on Friday — —

Honourable members interjecting.

The SPEAKER — Order! The level of interjection is far too high.

Mr Plowman — On a point of order, Speaker, I believe the minister is reading from a typed document. I ask you to ask him to table the document.

The SPEAKER — Order! Is the minister reading from a document or using notes?

Mr HAERMEYER — I am referring to notes.

The SPEAKER — Order! The minister is referring to notes.

Mr HAERMEYER — That is why I met with Minister Macfarlane on Friday and with the car makers, with our components sector in the automotive industry, to try to find a strategic way forward for our automotive sector. It is also why the Victorian government is hosting a national manufacturing summit here in Victoria later this year to bring together industry, unions, state and federal governments and investment communities so we can all start working in the same direction to find a way forward for our manufacturing sector.

Make no mistake, Speaker, we are facing the industrialised economies of the world; through the emergence of these new growth economies we are facing an economic tsunami. Whether we are swept away by that or whether we ride the crest of it on a high-tech surfboard depends on whether we develop a strategic way forward, and that really requires all of us to work together. It requires a plan for cooperation between state and federal governments, between industry, between unions and our research sector.

Honourable members interjecting.

The SPEAKER — Order! Members of the opposition well know that such behaviour is inappropriate, and I ask them to cease.

Police: database security

Mr DOYLE (Leader of the Opposition) — My question is to the Minister for Police and Emergency Services. I refer to comments made by law enforcement assistance program (LEAP) Acting Superintendent Adrian Oomes in September 2003 that IBM maintained the LEAP hardware but had no access to software and files. Given that the government is blaming an IBM employee for emailing the confidential police files of more than 1000 people to a whistleblower prison guard, what has changed in the administration of the LEAP database since the assurances of September 2003?

Mr HOLDING (Minister for Police and Emergency Services) — The Leader of the Opposition clearly wrote this question and was determined to ask it regardless of the answers that were given by the government in Parliament today. The premise upon which his question is based is that the government has blamed some particular person for the release of this information. We have not at this stage indicated who is responsible. Following the public controversy over this matter, we have sought information from the Chief Commissioner of Police, and I understand the privacy commissioner has today indicated that he also will be looking at the circumstances around the release of this material.

We are pleased that these investigations are taking place, and we want to see the results of the investigations as soon as possible. It is not appropriate at this stage to jump to conclusions about what the cause of the release of this information is. We look forward to seeing the results of the investigations.

Economy: national reform initiatives

Ms MUNT (Mordialloc) — My question is to the Treasurer. Can the Treasurer detail to the house how the increase in efficiency and productivity which is expected from the Premier's proposed national reform initiative could benefit the Victorian economy?

Mr Cooper — Have you got the clippings?

Mr BRUMBY (Treasurer) — I have, actually. The Bracks government has been a leader in the area of regulation and competition reform, and in its latest report the National Competition Council singles out Victoria as the best performer in Australia. It said, and I quote — —

Mr Honeywood interjected.

Mr BRUMBY — No, it singles us out for the best performance in Australia. You need cotton buds.

Honourable members interjecting.

The SPEAKER — Order! The Treasurer through the Chair.

Mr BRUMBY — It said:

> Victoria's performance surpassed that of all jurisdictions in its past two assessments.

We have led the way in establishing things like the Essential Services Commission which brought together a whole range of agencies under one umbrella. We have established the Victorian Competition and Efficiency Commission, which has been singled out for praise by Gary Banks, the chairman of the Productivity Commission, and in terms of business taxation we have cut the number of taxes in Victoria from — —

Mr Honeywood interjected.

Mr BRUMBY — You spend too much time overseas.

Mr Honeywood interjected.

The SPEAKER — Order! The Deputy Leader of the Opposition! The Treasurer should not respond to interjections. I ask him to continue with his answer.

Mr BRUMBY — During the period of the Bracks government we have cut the number of taxes from 22 to 16. We have gone from being the state with the highest number of taxes to the state with the lowest number of taxes, and we are again leading the way with the national reform initiative.

I brought in some cuttings from yesterday's *Australian Financial Review*. I brought the editorial page, which says:

> Bracks shows the way on reform
>
> While the federal government's attention has been distracted by the mess over the Telstra privatisation and The Nationals' disunity, an unlikely coalition is noisily urging cabinet's focus back on the vital issue of reform.

It goes on to compliment the government. The national reform initiative, which looks essentially at five areas — business regulation, infrastructure, health, education and training, and work incentives — has the potential to improve labour force participation and drive productivity growth and, according to the modelling done by the Department of Treasury and Finance and the Melbourne Institute, add $65 billion to Australia's gross domestic product over the next 10 years.

In Victoria's case we are about a quarter of the national economy. In rough terms that would mean something like $16 billion to $17 billion of additional economic activity because we are boosting productivity and because we have better levels of work force participation. As a nation we have to prepare ourselves for an ageing population, a shrinking work force and competitive pressures from right around the world, but particularly from Brazil, Russia, India and China. The Business Council of Australia — —

Mr Smith interjected.

The SPEAKER — Order! The member for Bass.

Mr BRUMBY — The Business Council of Australia tells a similar story and argues a similar point. It makes the point that before widespread economic reforms occurred in the 1980s Australia's prosperity was, according to the Organisation for Economic Cooperation and Development (OECD), ranked 18th in the world. Back at the end of the Fraser era there we were, ranked 18th in the world. Because of the reforms instituted by the Hawke and Keating governments, on the back of — —

Honourable members interjecting.

Mr Hulls — It's true. We were there, John; we were there.

Mr BRUMBY — That is right. The member for Niddrie and I remember. We were there. There were two waves. We played a part — —

Mr Bracks — Yes. We were in waves 1 and 2.

Honourable members interjecting.

Mr BRUMBY — As the Premier has generously pointed out, we were part of waves 1 and 2, and now we have wave 3.

We were ranked 18th in the world, but on the back of those two waves of reform Australia was ranked 8th in the world. What the OECD's most recent survey — in 2003 — shows is that Australia has slipped back to 10th and is at risk of slipping back further. It is a serious — —

An honourable member interjected.

Mr BRUMBY — We have not been in federal government since 1996; the Howard government has been in office. There is a need for — —

Mr Plowman — On a point of order, Speaker, the Treasurer is now debating the question and needs to return to state government business.

The SPEAKER — Order! The minister, to continue answering the question.

Mr BRUMBY — Speaker, I am just winding up. It is a serious matter. We need a third wave of reform. This has been strongly endorsed, as I have said, by financial commentators — the *Australian Financial Review* and other national press. It has been strongly endorsed by business organisations — the Australian Industry Group and the business council. We have made it clear we are very happy to work with the federal government constructively to see through a reform process which will boost productivity, boost labour force participation and add something like $65 billion to national gross domestic product. This is worth doing, and again as the *Australian Financial Review* pointed out yesterday:

> … the message is out there: Australia must move to the next level of reform.

We agree.

BUSINESS OF THE HOUSE

Notices of motion: removal

The SPEAKER — Order! I advise the house that under standing order 144 notices of motion 165 to 167 and 309 to 325 will be removed from the notice paper on the next sitting day. A member who requires a notice standing in his or her name to be continued must advise the Clerk in writing by 6.00 p.m. today.

LOCAL GOVERNMENT (FURTHER AMENDMENT) BILL

Introduction and first reading

Mr THWAITES (Minister for Environment) introduced a bill to dismiss the Glen Eira City Council and provide for a general election for that council, to amend the Local Government Act 1989 and for other purposes.

Read first time.

SPORTS ANTI-DOPING BILL

Introduction and first reading

Mr THWAITES (Minister for Environment) introduced a bill to re-enact with amendments the law relating to anti-doping in sport, to confer functions on the Australian Sports Drug Agency, to repeal the Sports Drug Testing Act 1995 and for other purposes.

Read first time.

SENTENCING AND MENTAL HEALTH ACTS (AMENDMENT) BILL

Introduction and first reading

Ms PIKE (Minister for Health) — I move:

> That I have leave to bring in a bill to amend the Sentencing Act 1991, the Mental Health Act 1986, the Corrections Act 1986 and the Crimes (Mental Impairment and Unfitness to be Tried) Act 1997, to make consequential amendments to other acts and for other purposes.

Mrs SHARDEY (Caulfield) — Would the minister kindly give a brief description of the bill?

Ms PIKE (Minister for Health) — This bill is designed to improve the operation of hospital security orders and restricted community treatment orders and also to improve the effectiveness of the arrangements for forensic patients seeking additional medical treatment.

Motion agreed to.

Read first time.

ROYAL VICTORIAN INSTITUTE FOR THE BLIND AND OTHER AGENCIES (MERGER) BILL

Introduction and first reading

Mr HULLS (Attorney-General) introduced a bill to provide that certain bequests, gifts, dispositions and trusts have effect as if made or declared to or in favour of Vision Australia Limited and for other purposes.

Read first time.

MELBOURNE LANDS (YARRA RIVER NORTH BANK) (AMENDMENT) BILL

Introduction and first reading

Mr HULLS (Minister for Planning) introduced a bill to amend the Melbourne Lands (Yarra River North Bank) Act 1997 to provide for additional land to be included in the site used for the Melbourne Aquarium and for other purposes.

Read first time.

PETITIONS

Racial and religious tolerance: legislation

To the Legislative Assembly of Victoria:

The petition of the undersigned residents of Victoria draws the attention of the house to the decision of the Victorian Civil and Administrative Tribunal in the complaint against Catch the Fire Ministries by the Islamic Council of Victoria, dated 17 December 2004. The decision has highlighted serious flaws in the Racial and Religious Tolerance Act 2001 which restrict the basic rights of freedom of religious discussion.

The petitioners therefore request that the Legislative Assembly of Victoria remove the references to religious vilification in the Racial and Religious Tolerance Act 2001 to allow unencumbered discussion and freedom of speech regarding religion and theology.

By Dr SYKES (Benalla) (97 signatures)

Police: schools program

To the Legislative Assembly of Victoria:

The petition of citizens of Victoria concerned about the abolition of the police schools involvement program (PSIP) draws to the attention of the house that the Bracks Labor government has blatantly ignored the safety of children in its move to abolish PSIP. The government has disregarded research and expert advice by Monash University which showed the program to be extremely effective.

The petitioners therefore request that the Legislative Assembly of Victoria support the reinstatement of the police schools involvement program to build a secure environment for the children of Victoria.

By Mr PERTON (Doncaster) (79 signatures)

Keilor Primary School: facilities

To the Legislative Assembly of Victoria:

The petition of the Keilor Primary School community and residents of Victoria draws to the attention of the house that funding for a physical education and music centre for Keilor Primary School was overlooked under the Labor government's 2005–06 budget, despite a commitment to increase physical education in schools. Keilor Primary School is the only school in the region without such a facility.

The petitioners therefore request that the Legislative Assembly of Victoria supports the erection of a physical education and music centre for Keilor Primary School.

By Mr PERTON (Doncaster) (42 signatures)

Schools: religious instruction

To the Legislative Assembly of Victoria:

The petition of citizens of Victoria concerned to ensure the continuation of religious instruction in Victorian government schools draws out to the house that under the Bracks Labor government review of education and training legislation the future of religious instruction in Victorian schools is in question and risks becoming subject to the discretion of local school councils.

The petitioners therefore request that the Legislative Assembly of Victoria take steps to ensure that there is no change to legislation and the Victorian government schools reference guide that would diminish the status of religious instruction in Victorian government schools and, in addition, urge the government to provide additional funding for chaplaincy services in Victorian government schools.

By Mr PERTON (Doncaster) (55 signatures)
Ms ECKSTEIN (Ferntree Gully) (25 signatures)
Ms MARSHALL (Forest Hill) (1050 signatures)
Mr TREZISE (Geelong) (24 signatures)
Mr LANGDON (Ivanhoe) (46 signatures)
Mr DELAHUNTY (Lowan) (55 signatures)
Mr COOPER (Mornington) (23 signatures)
Mr MAXFIELD (Narracan) (306 signatures)

Schools: religious instruction

To the Legislative Assembly of Victoria:

The petition of citizens of Victoria concerned to ensure the continuation of religious education in Victorian schools draws out to the house that under the Bracks Labor government review of education legislation the future of religious education in Victorian schools is in question, and the petitioners therefore request that the Legislative Assembly of Victoria take steps to ensure that there is no change to legislation which would diminish the status of religious education in Victorian schools and, on the contrary, require the government to provide additional funding for chaplaincy services in Victorian state schools.

By Mr PERTON (Doncaster) (20 signatures)
Mr WELLS (Scoresby) (20 signatures)

Tabled.

Ordered that petitions presented by honourable member for Doncaster be considered next day on motion of Mr PERTON (Doncaster).

Ordered that petition presented by the honourable member for Scoresby be considered next day on motion of Mr WELLS (Scoresby).

Ordered that petition presented by the honourable member for Benalla be considered next day on motion of Dr SYKES (Benalla).

Ordered that petition presented by the honourable member for Mornington be considered next day on motion of Mr COOPER (Mornington).

DOCUMENTS

Tabled by Clerk:

Local Government Act 1989 — Order in Council suspending Councillors at Glen Eira City Council and appointing an Administrator

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

Ballarat Planning Scheme — No C80

Casey Planning Scheme — No C8

Greater Dandenong Planning Scheme — No C68

Melbourne Planning Scheme — No C102

Stonnington Planning Scheme — No C23

Wodonga Planning Scheme — No C44

Statutory Rule under the *Teaching Services Act 1981* — SR No 97

Subordinate Legislation Act 1994 — Minister's exemption certificate in relation to Statutory Rule No 97.

The following proclamations fixing operative dates were tabled by the Clerk in accordance with an order of the house dated 26 February 2003:

Energy Safe Victoria Act 2005 — Whole Act, except section 59, on 10 August 2005 (*Gazette S147*, 9 August 2005)

Higher Education Acts (Amendment) Act 2005 — Sections 1, 2, 111, 112, 113, 121, 128 and 129 on 9 August 2005 (*Gazette S148*, 9 August 2005).

ROYAL ASSENT

Message read advising royal assent to:

National Parks (Point Nepean) Bill
Planning and Environment (Williamstown Shipyard) Bill
Tobacco (Amendment) Bill.

APPROPRIATION MESSAGES

Messages read recommending appropriations for:

Pipelines Bill
Radiation Bill
Sustainability Victoria Bill.

BUSINESS OF THE HOUSE

Program

Mr CAMERON (Minister for Agriculture) — I move:

That, under standing order 94(2), the orders of the day, government business, relating to the following bills be considered and completed by 4.00 p.m. on Thursday, 18 August 2005:

Fisheries (Abalone) Bill

House Contracts Guarantee (Amendment) Bill

Melbourne College of Divinity (Amendment) Bill

Racing and Gaming Acts (Police Powers) Bill

Residential Tenancies (Further Amendment) Bill

Vagrancy (Repeal) and Summary Offences (Amendment) Bill.

It is the government's intention to debate those bills. They are the first six bills in the government business program. We believe the six bills are appropriate for this week and the program will allow good debate to occur. As usual, there has been very good cooperation among the parties. We look forward to that continuing this week.

Mr PLOWMAN (Benambra) — The opposition does not oppose the government business program. I consider the six bills before the house to be a pretty thin program for the week. One would hope that those bills are not padded out unnecessarily. They should be able to be dealt with quickly and decisively by the house. I suggest that the program for tomorrow morning will be the most significant part of the business program for the week.

Mr DELAHUNTY (Lowan) — On behalf of The Nationals I indicate our support for the government business program motion. The member for Rodney, who is our party Whip and deals with the government, has been pleased to see greater cooperation with the Leader of the House. The program this week is slim. We know it has six bills, but none of them seems to be strikingly controversial and will need lengthy debate. On behalf of The Nationals, we will not be opposing this government business program motion.

Motion agreed to.

MEMBERS STATEMENTS

Victory in the Pacific Day: 60th anniversary

Ms DELAHUNTY (Minister for the Arts) — On Sunday I was very pleased to be at the Anzac memorial in All Nations Park, Northcote, to commemorate the 60th anniversary of the victory in the Pacific. Led by the master of ceremonies, Noel McNulty, the community gathered to remember this significant anniversary in our history — the end of World War II.

There were children, parents and grandparents there. Guests laid their wreaths and were followed by the general public who also added their floral tributes. Tom Turton, the president of the Northcote RSL, led the wreath laying. Burt Packer, a representative from the Ex-POWs Association; Laurie Crowther, a representative from the Fairfield-Alphington RSL; Col Trinnick, a representative of the Unknown Soldier; and the mayor of the City of Darebin, Cr Diana Asmar, were also in attendance. Mrs Pat Preuss and Mrs Edna Newton represented the War Widows and Widowed Mothers Association, Mrs Jean Kilpatrick represented the Legacy Ladies, and Sergeant Mark McCann represented Victoria Police.

Ecumenical prayers followed the wreath laying and were led by John McCarthy and Geoff Crossman. It was an important and moving ceremony in chilling winds but a very strong spirit was evident. It was appropriately followed by a barbeque and a music performance at the Northcote RSL.

Office of Police Integrity: performance

Mr WELLS (Scoresby) — This statement condemns the Bracks government for its continuing denial that there are serious problems with its bandaid, experimental, institutional effort to fight police corruption, the Office of Police Integrity. In response to last week's startling revelation that a senior police officer seconded to the Ombudsman and to the OPI informed Victoria Police command in a written memo that there were serious deficiencies within the OPI, the Premier and the Minister for Police and Emergency Services retorted that the memo had been written in December 2004, only six weeks after the OPI was established and that the problems identified had been fixed.

Unfortunately for the Premier and the government, the embarrassing police files affair, in which police files identifying over 400 Victorians were released to and received by a member of the public on 14 June this year, proves that the serious deficiencies identified by Detective Acting Inspector Jim Conomy have not yet been fixed. Not only does the explosive memo confirm that there was a police files stuff-up, but it has now become a police files cover-up. Contained in the memo were numerous identified deficiencies within the OPI, including poor middle management; no adequate internal training in conducting criminal investigations; no exhibits, recording and property storage systems; and no tape or videorecording.

This memo from a very senior police member is further proof that the Bracks government has got it wrong with its flawed model for tackling police corruption. The Bracks government was obviously aware of all these problems when the memo was written on 17 December last year but has failed to act.

Port Phillip Bay: channel deepening

Mr CARLI (Brunswick) — Last Wednesday night I attended a community consultation on the issue of trial dredging in Port Phillip Bay. This trial dredging is part of the supplementary environment effects statement (SEES) process that has been taking place. There were experts from the Port of Melbourne Corporation and from Royal Boskalis, which is doing the trial dredging. Forty people came from around Queenscliff, and they were broadly representative of the Queenscliff community. In fact a number were supporters of the Blue Wedges coalition. Similar meetings have been organised on the Mornington Peninsula and in the cities of Port Phillip, Hobsons Bay, Kingston and Frankston.

These meetings are very productive, and there has been very good feedback from divers, fishermen and small business people as well as from community representatives. I think the meetings contrast with the misinformation given in this house last week by the member for Warrandyte, who tried to create a level of hysteria around the issue of the trial dredging. It is really important that these opportunities are taken up by the Liberal Party and that its members come to some of these public consultations and ask questions and get answers about the trial dredging so that we no longer have the sort of misinformation we had last week in this house.

It is important as we go through the SEES process that we have good information and that we can explain what will be undertaken. I welcome all members of this house to the community consultations.

Rail: rural crossings

Mr DELAHUNTY (Lowan) — The tragedy of the loss of lives as a result of separate accidents involving trains has been highlighted by two rail crossing deaths in the Lowan electorate in the last five weeks. The first occurred at the Mininera rail crossing and involved a youth on his way to play football. This is not the first accident to happen at this location. This is a major crossing that is used by many cars, trucks and school buses on a regular basis. There is a heavy traffic flow, particularly on sporting days and during the harvest season. On behalf of the residents of Streatham, Mininera, Lake Bolac and western Victoria in general, I appeal to the Minister for Transport to have warning lights installed at this crossing.

The second accident involved a lady driving a car who collided with a train at the Edith Street crossing in Horsham last Thursday. This crossing has warning lights, but the transport safety bureau and the Department of Infrastructure are investigating claims that the lights failed to operate. These tragedies have a devastating effect on families and communities.

We must also remember the train drivers and the emergency services workers. Their lives have also been changed forever. The slow installation of warning lights at the rail crossing on Geodetic Road, Horsham — the road to the Horsham airport — has been brought to my attention, and I bring it to the attention of the Minister for Transport. Our aim should be to have warning lights installed at each rail crossing on our roads, especially where visibility is poor. I call on the Minister for Transport to commit to a plan to improve the safety of all rail crossings to reduce needless loss of life.

Victory in the Pacific Day: 60th anniversary

Mr WILSON (Narre Warren South) — I had great pleasure in speaking at the Victory in the Pacific (VP) Day commemorations of the Dandenong sub-branch of the RSL yesterday. The project officer from the Dandenong RSL, Mr John Wells, gave the address of the day, noting the huge losses — through both death and injury — suffered by the veterans in the Pacific campaign. He made special mention of the death and deprivation faced on a daily basis by the many thousands of prisoners of war held by the Japanese, noting that some 8000 men had died as prisoners of war. As was said by RSL members, we may forgive the Japanese for their treatment of prisoners of war, but we will not forget.

The VP Day 60th anniversary program was organised by secretary John Laughton, president Alex Kowarzik and manager Graeme Keating. I congratulate them on their well-organised commemoration. A particularly warming part of the day was the participation of students from three local schools, Dandenong Primary School, Lyndale Primary School and Wellington Secondary College. As well as their involvement in the VP Day certificate presentation, the students had interviewed many of the Pacific campaign veterans over the last 12 months and produced a memorable DVD of interview highlights. A further three veterans were awarded Pacific war commemoration medallions by Alan Griffin, the federal opposition spokesman on veterans affairs. The commemoration was a truly enjoyable day which gave us a chance to acknowledge the horrendous sacrifices of our veterans in defending Australia.

Bonegilla Migrant Reception Centre: commemorative centre

Ms ASHER (Brighton) — I would like to again raise in this chamber the issue of the Bonegilla Migrant Reception Centre project. This is a relatively minor project which is proving to be a major headache for a series of ministers. It is in fact one of the great botches in management of this government. The government's major projects web site, which has been updated in August, reveals that the opening date for this small project has been changed yet again. We now see a two-year delay in the delivery of a very small project. The original opening date was the end of 2003; it is now late 2005.

In fact the government has now changed the opening date for this project on six occasions. It was originally the end of 2003; then it was changed to late 2004; and then to early 2005 — both of those dates were on the major projects web site. Then it was changed to April 2005, and then, in one of his last embarrassing acts, the previous minister, before he was reshuffled, did a public relations stunt with media on 27 November 2004 and said the project would open in mid-2005.

I suppose the new minister checked the web site and came to the conclusion that August is really past mid-2005. No press release has been issued, but the date has been changed to late 2005, a delay occurring under this new Minister for Major Projects. I urge him to get on with the game, get on with the job and improve his performance.

Football Federation Victoria: constitution

Ms D'AMBROSIO (Mill Park) — I take this opportunity to urge Football Federation Victoria (FFV) to move without further delay to transform its constitution and voting structure to give equal rights to women and juniors involved in the sport of soccer. The issue of inherent constitutional and structural discrimination has been brought to my attention in recent times by representatives of the game in my local area.

In 2003 the Australian Sports Commission appointed David Crawford to conduct an independent review of soccer in Australia. Arising from that review was a series of recommendations to address unequal representation and discrimination in the sport across the country. Football Federation Australia is in negotiations with Football Federation Victoria to implement the recommendations which have the full support of the Victorian government.

I would like to acknowledge Nick Monteleone, Joe Perri and the Epping City Soccer Club for their commitment and drive to achieve change in Victoria. In the words of Nick:

> The FFV's current inequitable and discriminatory constitution allocates 14 Melbourne-based men's premier league clubs 25 per cent of the votes.
>
> Yet on the other hand the 12 women's premier league team clubs (of which one team is a member of a Melbourne-based premier league club) have no voting rights.

He adds:

> … the constitution of the FFV must incorporate the basic values and ideals of our Australian society — in particular, equality, democracy, the right to a fair go and non-discrimination.

Both Nick and Joe are campaigning for the FFV to consult directly with all Victorian football participants, including the disenfranchised.

Emergency services: Warrnambool helicopter

Dr NAPTHINE (South-West Coast) — I stand to expose the Premier's lie when, in the Warrnambool *Standard* of 26 July, he sought to deliberately mislead the people of south-west Victoria about the case for an emergency helicopter service. I quote:

> South-west residents — —

The SPEAKER — Order! The member cannot accuse another member of deliberately misleading the house.

Dr NAPTHINE — No, he did not mislead the house; he misled the people — in the newspaper, not in the house. I quote:

> South-west residents will have to come up with a top-quality proposal for a rescue helicopter if they want the life-saving service …
>
> … Mr Bracks said he knew there was demand for a rescue helicopter … in the region but there had been no realistic suggestions about how to provide one.

Yet Premier Bracks is fully aware of a very sound business case for the emergency helicopter put forward in October 2002 by Inspector John Robinson, the chair of WestVic Helicopter Rescue Service. Premier Bracks is also fully aware of the $20 million offer from Woodside Energy which is part of this plan. Yet during his recent visit to Port Fairy he said no realistic suggestions had been put forward. This is an arrogant lie which insults John Robinson, his committee and south-west Victoria. Lives are being lost without this emergency helicopter service. Yet this city-centric Premier and his Labor government continue to thumb their noses at the people of Victoria.

In November 2006 there will be a simple choice for the people of South-West Coast electorate: a vote for the Liberals is a vote for a helicopter service, and a vote for Labor is a vote against the helicopter service.

The SPEAKER — Order! Both the Clerk and I did think you said 'house', so I will check the *Hansard* record.

Victorian training awards

Mr HOWARD (Ballarat East) — Last night I was pleased to be present along with the education minister at the presentation dinner for the Victorian training awards. These awards recognise individuals and communities who have made outstanding contributions to Victoria's world-class training system. I was especially pleased to join representatives of the Highlands Local Learning and Employment Network (LLEN) in the celebration of its being awarded the McDonald's VET in Schools excellence award.

The Highlands LLEN, which has its administration housed in the newly completed $5 million Ballarat Learning Exchange, was recognised for the management of the vocational education and training (VET) cluster which services secondary students in Ballarat and across the Central Highlands–Wimmera region. This cluster involves a close collaboration not only with state schools but also with Catholic and independent schools. It delivers one of the broadest ranges of VET subjects in Victoria with 20 programs being delivered across the cluster.

These programs feature on-the-job training which is highly integrated with a full-time staff member being supported by the cluster to liaise with employers, schools and students. In this role Andrew Wallace has developed a very productive relationship with local businesses that support the VET program.

Highlands LLEN also is to be commended for the many other programs it has auspiced, including the career support program offered at That Place in the Ballarat Learning Exchange and projects geared towards training for rural skills strategies identified across the region. I commend Barry Wright, Caitlin Jones — —

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

Lions Club: Speed field days

Mr SAVAGE (Mildura) — Just over two weeks ago, on 3 and 4 August, the Speed Lions Club held the annual Mallee machinery field day. Once again the field day was a resounding success with a huge number of exhibitors. Congratulations to the Speed Lions Club and its president, Derry Monaghan, and the secretary, Phil Down. Also congratulations to the multitude of other volunteers who manned different booths and made this annual event a success. The mission statement of the Mallee machinery field days includes 'The spirit of the Mallee'. I know, Speaker, that you have been there and I am sure you would endorse my remarks. The field days were originally instigated to promote broad-acre agriculture in the Wimmera–Mallee. This theme and concept are still very evident today.

The only disappointment for me was the large sign placed outside the gate by The Nationals which read 'Russell Savage equals Melbourne Labor equals toxic dump'. This was a defamatory statement

Dr Napthine — You're a sensitive petal, aren't you?

Mr SAVAGE — No, not at all. The sign is factually incorrect, and I think it shows a new low that The Nationals have dropped to. But they could not spoil the Mallee field day. It was a resounding success, and I look forward to next year.

Emma Eggleston

Ms MARSHALL (Forest Hill) — It was with great pleasure that I recently learned about the nomination of Emma Eggleston, a resident of Vermont South, as a *Whitehorse Leader* sports star. Emma earned her nomination for her fantastic sporting ability as a netballer. At only 15 years of age she has been selected for the 2005 Victorian Secondary School Sports Association netball team — and fittingly, as captain. Emma plays centre and became interested in netball while in grade 2 at school. Her passion was developed by playing with her best friends and solidified by playing with the Melbourne Palladians.

This was not the first time Emma had proved she could play netball to such a high standard. Three years ago Emma was the state grade representative when she competed with the under 12 netball team. Emma was informed in May of her place in the Victorian team and although she knew she had a good chance of being named, she was not 100 per cent sure until the announcement was actually made. Emma said that attaining the role of captain was an incredible privilege and a new and exciting challenge for her. Emma hopes to encourage her team-mates to perform at their highest level and to lead the team by her example.

Last week the team travelled to Launceston, Tasmania, to compete in the 2005 secondary school sports netball championships. Led by Emma, the Victorian team performed very well all week in the round-robin competition, finishing in a very pleasing 1st position. I am sure that Victoria's fantastic performance in the competition was partially due to Emma's excellent leadership and motivational skills in getting her team to achieve their goals. Congratulations to Emma and her Victorian team-mates on such a great result.

Port Phillip Bay: channel deepening

Mr DIXON (Nepean) — Members of the Bracks government are not fully committed to or convinced of their own arguments in favour of channel deepening. They are not prepared to take ownership of their flawed channel-deepening project. They have tried to spread the blame by saying that the Howard government agrees with the dredge trial. This could mean that the Bracks government has recognised the popularity and legitimacy of the federal government by hitching its wagon to the Howard caravan. At a recent large public meeting at Mornington both the member for Hastings and the Honourable Geoff Hilton, a member for Western Port in another place, were very keen to be seen on the Howard government's side rather than taking responsibility for their own government's policies.

There is a big problem with this tactic: the federal government has no jurisdiction over the dredge trial. 'No jurisdiction' does not equal support. It is another example of Bracks government spin over substance. The member for Hastings said in this place that she does not know what my stand is on channel deepening. I will say it again: I cannot support this project, because the Mornington Peninsula has the most to lose and the least to gain, whereas Melbourne has the most to gain and the least to lose. I am sick of the Bracks government's taking the Mornington Peninsula for granted. The government dumps 42 per cent of Melbourne's sewage in our backyard at Gunnamatta, and now it wants to dig up our front yard and put our local economy and environment at great risk.

State Emergency Service: Croydon unit

Ms BEARD (Kilsyth) — Last Tuesday I had the pleasure of meeting at Parliament House members of the Croydon State Emergency Service unit from the electorate of Kilsyth. They joined some of the

5500 SES volunteers from around Victoria. I would like to take this opportunity to place on the record my thanks and congratulations for the massive contribution they make to our community. Every Monday night these volunteers attend training and equipment-maintenance sessions. That alone is an unbelievable commitment. People expect their attendance at times of emergency and often do not realise that they are volunteers. It was very fitting that last Tuesday the work of these unsung heroes was acknowledged by the Premier and the minister with the largest ever distribution of high-quality personal protective clothing. More than 3000 pairs of overalls, 2900 sets of wet-weather gear and 1264 pairs of boots will be issued around Victoria in the next few months.

Responding in an emotional speech Laurie Russell from Werribee SES said that this government is giving back to the SES what had been taken away from it. The Croydon volunteers who visited here last week were unit controller Barry Peck, who has 25 years service, Kevin Poile, 25 years service, and Andrew Morrison, 5 years service. It was interesting that when they were asked about these extraordinary efforts they very modestly responded that this is what they do, that this is their contribution to the community. I look forward to the opening of their extended building later this year. It was most appropriate that so many of the SES volunteers from around the state were in the gallery last Tuesday to receive the gratitude and acknowledgment of the Parliament and to hear the commencement of the debate on the bill to establish the SES as an independent authority.

Mount Beauty: youth officer

Dr SYKES (Benalla) — I draw the Parliament's attention to the failure of the Bracks government to fund a youth officer for Mount Beauty, a small, isolated community of around 2000 people nestled in the beautiful Upper Kiewa Valley. Until December 2004 a youth worker was available to help young people develop skills to cope with life's challenges, both within Mount Beauty and when they moved to the larger centres and capitals cities to continue their education or find employment. Funding ceased in December 2004 due to an administrative oversight. It was not the fault of the Mount Beauty community.

The Bracks government was approached, and the Mount Beauty community was assured that if it could make alternative arrangements until June 2005, another submission should result in ongoing funding from July 2005. Much to the disappointment of the Mount Beauty community this did not occur. The reason given was that Mount Beauty is not a disadvantaged community; however, the basis of this view appears to be a census that was conducted when over half the people in Mount Beauty were visitors, mainly from the wealthy suburbs of Melbourne. This resulted in the east of the Alpine Shire seeming to be amongst the most wealthy in north-east Victoria, while the west of the Alpine Shire was the poorest. This is nonsensical. I ask the Bracks government to urgently review the basis for rejecting Mount Beauty's application for funding and to immediately provide funding for the youth officer in Mount Beauty.

Pharmaceutical industry: natural medicines

Ms LOBATO (Gembrook) — There is a concerted campaign to downplay, discredit and diminish the public's confidence in the natural medicines we use by claiming they are ineffective, unscientific or even dangerous. This generalisation causes me great concern. It is like saying that all movies are bad. They are not; it just depends on which one you are watching. It is staggering that the pharmaceutical companies, who test their own drugs instead of relying on independent testing, are so eager to undertake the testing of complementary medicine. Surprise, surprise! Their results show that herbal and other non-prescription medicines are less effective and perhaps even dangerous. Obviously it is not enough for the big pharmaceutical companies to expand their number of potential patients so that we now all fall under their diagnostic guidelines, which do not receive independent scrutiny; now they want to eliminate all competition as well.

With the assistance of those same aggressive marketing strategies one finding that echinacea has shortcomings was given coverage that Shane Warne would have been proud of. If you read the fine print, you will see that even the researcher claims that the dosage used in the study was too low to make any generalisations. Dr Tony Lewis from the Complementary Healthcare Council of Australia said that the dose used to test the product was so low that it was like taking a third of a contraceptive pill and expecting not to get pregnant. All consumers need evidence of the effectiveness of all medicines, both complementary and prescription. However, while the market is dominated by a select few pharmaceutical companies that test their own products and suppress findings that give unfavourable results, we need to be wary. The preventative and natural health field is the next target of this massive industry.

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

Port Phillip Bay: channel deepening

Mr COOPER (Mornington) — During the adjournment debate on 10 August the member for Hastings sang the praises of the deceitful, so-called trial dredging process currently being conducted in Port Phillip Bay. Obviously the member for Hastings does not care about the turbidity that is being caused by this dredging, nor is she alarmed that 1.7 million cubic metres of dredged sludge is being dumped back in the bay off the coastline of Mount Martha. What we all learnt on 10 August is that the member for Hastings puts the Labor Party and the agenda of the Bracks government first and the environment of Port Phillip Bay a very bad second. The member for Hastings alleges that I cannot decide whether to support or to oppose dredging in Port Phillip Bay. She should stop her ridiculous posturing and start listening to me and many thousands of other Victorians, because we say, 'Remove your dredge and think again about what you are doing, because what you are doing is wrong'.

While the trial dredging process itself is dangerous to the environment, the dumping of the spoil back into the bay is grossly negligent and utterly contemptuous. The panel which reviewed the environment effects statement said that the dumping of spoil in the bay was highly questionable and recommended that work be done to investigate alternative disposal on land or out in Bass Strait. The government reaction to that recommendation was to ignore it and go ahead with its preconceived course of action. Government members of Parliament like the member for Hastings need to understand that their channel dredging in Port Phillip Bay will come back to haunt them in November next year, when they will justly deserve the backlash they get from Victorian voters.

Food Unlimited!

Mr HARDMAN (Seymour) — I rise to inform the house of a local initiative in the Mitchell shire which is being driven locally by the disabled community. The publication *Food Unlimited!* is a descriptive guide to disability access to eateries and accommodation in the Shire of Mitchell, and it is the result of a community project facilitated by RecreAction. This group consists of local community members with disabilities, the Mitchell community health service, Mitchell Shire Council and the Broadford learning and leisure centre. Members of the group approached a combination of eating establishments across the Mitchell shire to ascertain the level of accessibility for people with disabilities. They collected information on issues such as wheelchair access, toilet facilities and parking facilities, and they developed a guide in the form of a written booklet with accessible symbols which describe the level of access provided by local businesses.

This idea came from local people with disabilities like Glenn Morris and Di Vidal, who provided a generous insight into the problems and difficulties faced by disabled people who, like us all, enjoy eating out at restaurants and visiting other areas. Obviously the guide will be great for local and visiting disabled people. I think it will be very good for local tourism and businesses, which will be able to say proudly, 'We are accessible to you. You can come along to our establishments, stay the night and feel good about it'.

Roma Food Products: export award

Mr PERERA (Cranbourne) — I take my hat off to the owners and staff of Roma Food Products, who were recently awarded the runner-up prize of the 2005 Premier's Food Victoria award for export. The award was presented to Mr Max Buontempo, the director of Roma Food Products, for the company's work in developing export markets for the Orgran range of products. Orgran products are wheat and gluten-free and cater to a demanding niche market. Roma Food Products Orgran food range is now being exported to 45 countries. The gluten-free market was in its infancy when Roma Food Products began commercialising its production back in 1985. The Orgran production plant is the only plant in Australia totally dedicated to 100 per cent gluten-free production. Through product innovation and superior quality Orgran is Australia's leading brand of alternative grain foods in over 1000 Coles, Safeway, Woolworths and independent supermarkets and in health food stores.

The Premier's Food Victoria awards recognise companies such as Roma Food Products which are significant participants and leaders within the Victorian food industry. The awards are funded by Food Victoria and sponsored by WorkSafe Victoria. I am proud to have Roma Food Products in the heart of my electorate. Once again I congratulate Mr Buontempo and his team in Carrum Downs for their outstanding achievement.

Art Resource Collective, Yinnar

Mr JENKINS (Morwell) — I would like to bring to the attention of the house the great work being done by the Art Resource Collective in Yinnar. It was formed some 23 years ago when visual arts graduates from Monash University's Churchill campus, then the Gippsland Institute of Advanced Education, looked at ways to maintain and build on networks which had been created during their course. It took them about a year to find a permanent home in the old Yinnar milk

factory. They have never looked back. Initially funded through the Australia Council and subsequently through Arts Victoria, the day-to-day operation of the collective is largely self-funded. The 40 full members keep the gallery space open from 12 noon to 4.00 p.m. on weekdays and from 11.00 a.m. to 3.00 p.m. on Saturdays. In addition, the facility has studio space for rent, access studios, adult art classes, and music and performance events. They even work with Try Youth and Community Services, maintaining a theatre group through an innovative work-for-the-dole program.

The gallery exhibitions traditionally change monthly. Recently I had the great pleasure in opening their latest exhibition, 'Latrobe — faces and places', which is a great exhibition displaying works in a variety of media. My congratulations to all contributors and in particular Jan Tulloch and Jenny Peterson for their hard work and tireless efforts in making the gallery a success.

Victory in the Pacific Day: 60th anniversary

Mr MAXFIELD (Narracan) — Speaker, it is a pleasure to get the call this afternoon to speak on my activities yesterday, when I went to the Moe RSL in acknowledging VP day. I place on the record my admiration for all those diggers and nurses who were in attendance reflecting on their experiences of 60 years ago and the sacrifices they and their fellow diggers and nurses made for the freedoms we have today. It was with great interest that we watched them receiving medallions commemorating VP day. I had great pleasure in presenting the Moe RSL with a Victorian flag and in spending time talking to them afterwards and hearing their experiences of the community celebrations of VP day 60 years ago. They also spoke of those who were still on the front line in the Pacific, where in some cases the message about the end of the war did not get through, and the tragic loss of life of some in prisoner-of-war camps after the declaration of victory in the Pacific.

We acknowledge not only those who came back but also all those who fought in the war. It was also a real pleasure to have some members of our community there from Elizabeth Street Primary School. It is very important that our youth recognise and acknowledge the freedoms we have today and what went into delivering those.

HOUSE CONTRACTS GUARANTEE (AMENDMENT) BILL

Second reading

Debate resumed from 5 May; motion of Mr HULLS (Attorney-General).

Mr KOTSIRAS (Bulleen) — It was interesting to read an article in this morning's *Age*. It reminded me of the slogans this Labor government is good for: 'Victoria — the place to be', or 'Victoria — a good place to live and raise a family'. I thought that perhaps members of the government should also consider this heading as a slogan. Part of the heading of the article is 'slow, slow, Vic, Vic, slow'. Those five words mean the same thing. The article states:

> The Victorian common economy has been growing at below average pace for the past four years because of sluggish housing activity …
>
> The report, by Westpac … said the Victorian economy had also been growing consistently more slowly than Queensland, Western Australia and Tasmania since 2003, and was likely to keep growing more slowly in 2005–06.

It shows that as a proportion of the national average housing investment in Victoria in 2001–03 it was negative 1.3 per cent, and in 2003–05 it was negative 2.7 per cent. So it is true to say that in Victoria the cost of building and owning a home is becoming more difficult, despite the fact that members hear so much rhetoric from those on the other side about it being a wonderful place to live and bring up a family. It is not. People are finding it hard to own a home and that has got worse over the past six years.

In an article in the *Australian* of 17 February Mr Phil Dwyer, of the Builders Collective of Australia, is quoted as having said:

> If governments are really serious about consumer protection, then it is appropriate for them to implement a proper and credible scheme that works in conjunction with industry and consumer groups.

The article goes on:

> … home warranty insurance has been in crisis since the 2001 collapse of HIH, with state governments until recently relying on the support of the peak housing organisation, the Housing Industry Association, to keep the privatised system afloat in the wake of an outcry over increased costs and many of the nation's 80 000-plus builders being denied coverage.

Another article, in the *Australian Financial Review* of 2 April, headed 'High costs paint dismal picture', refers to the Housing Industry Association and states:

> Renovation activity hit a two-year low during the December quarter, says the HIA. It fell by 28.6 per cent to $881 million. It's expected that renovations, which account for about half of all residential activity, will be low during the March quarter, too, as a result of an interest rate rise.

Even members of the Labor Party in Canberra have said that there are problems with the industry here. During an inquiry into the building and construction industry, then Senator Cook asked:

> Is it true that since the HIH collapse the premiums have gone from $250 to $300 up to $4000?

He also asked:

> Is it also correct that, with fewer insured builders available, home renovation prices have gone up by 40 per cent?

Unfortunately, as a result of the price increases, Victorians are suffering. Those opposite appear to be doing very little about this.

Returning to the bill, I indicate that the opposition will not be opposing the bill despite our having a number of concerns, which I will outline in a few minutes. The purpose of the bill is to establish a new housing guarantee fund, to be called the Housing Guarantee Claims Fund, to replace the existing industry-controlled Housing Guarantee Fund Ltd; to confer responsibility on the Victorian Managed Insurance Authority (VMIA) for administration of the HGCF and the domestic building (HIH) indemnity scheme and claims on those funds; and to provide for the transfer of the property, rights and liabilities of the HGFL to the state in anticipation of the winding up of the HGFL.

The main provisions of the bill transfer all property, rights and liabilities of the HGFL to the state and establish a new fund, called the Housing Guarantee Claims Fund. The bill transfers the responsibility for administering claims on guarantees from both the HGFL and the domestic building indemnity scheme to VMIA. It provides for the winding up of the HGCF and for any moneys standing to the credit of the fund to be paid into the domestic builders fund.

First, I thank Wendy Lovell, a member for North Eastern Province in the other place and the opposition spokesperson for consumer affairs, for speaking to the key stakeholders. Unlike members of the government, she spoke to everyone and was able to advise them of the opposition's position. I thank also the public servants for their advice during the briefing. I appreciate their work. It amazes me that ministerial advisers are involved in every briefing. The government has turned that into an art form and ministerial advisers answer more questions than public servants. That is fine, if they actually answer the questions. Unfortunately, they usually say that they will take them on board and never come back with any answers.

In this case three questions raised by the opposition were responded to by the ministerial adviser. The first was how much money remains in the HGFL. The answer was:

> The information for the latest financial year is set out in the 2003–04 HGFL annual report …

What was so difficult about the adviser telling us the exact figure? Why is it that the government is making it so difficult with extra work? This situation is unlike when we were in government — we were very helpful to the opposition Labor Party.

The second question was how many staff HGFL had. The answer was that the information for the financial year is set out in the 2003–04 HGFL annual report. Again the public servants had that information in front of them — they could have just told us the number. I do not know why they refused. They are playing very hard. The third question was: how many claims are open? The answer was that this information is also set out in the 2003–04 report, but it went on to state that as of June 2004 the total number of claims in progress was 600. The adviser was kind enough to tell us that there were 600 claims, but he was not able to tell us how many staff there were and he was not able to tell us how much money was in HGFL. It is just another example of this government not being accountable, hiding the facts and not allowing the public servants to answer the questions but allowing the advisers to go away and then give us a sanitised answer.

I would have thought that one of the roles of the advisers is also to look at the bill before it is printed. Unfortunately these public servants have not even done that. If you have a look at page i, you will see that the word 'statements' is misspelt. I would have thought that the minister, the public servants, the ministerial adviser would perhaps look at the bill, as I did when I was an adviser, to make sure there were no spelling mistakes. On page 15 'statement' is again misspelt. You would think that the government would do its job properly, but it seems that many of the staff in the minister's office are getting paid to sit on their hands. I thank the public servants once again for their briefing.

It is important that we go through the history of this legislation to get some understanding. The house builders liability scheme was introduced in 1974 in recognition of the need to regulate the industry and to provide some certainty to the public. I remember back in the early 80s when I was renovating my own house I

signed a contract with the builder to ensure that everything was paid for and installed. When the builder came to install the doors and the windows, I was told I had to pay for the hinges, the screws and the bolts, which I found amazing considering that I thought that everything was included. I think it is very important that we have a scheme in place that looks after the consumers.

To administer the scheme the Housing Industry Association and the Master Builders Association of Victoria were given approval to establish a list of recognised builders. In 1983, at the direction of the Minister for Local Government, the two merged to form the Housing Guarantee Fund Ltd. The HGFL was the approved guarantor for the House Contracts Guarantee Act 1987. Prior to 1 May 1996 HGFL was the only body to provide insurance to consumers for defective or incomplete domestic building work. HGFL guaranteed building work against defects and incompletion for seven years from the date the contract was entered into. The Domestic Building Contracts and Tribunals Act 1995 introduced domestic building warranty insurance for builders, which replaced the HGFL guarantee system.

HGFL was only responsible for claims that had not run out. In 2001 HGFL's role was expanded to include administering the HIH indemnity scheme following the collapse of the HIH insurance group. And didn't this government get this wrong! It brought in legislation in 2001, and it then brought in amendments to that legislation because it had stuffed up the initial legislation. Over the next two years the activities of HGFL will wind down, and responsibility for administering the scheme will be transferred to the Victorian Managed Insurance Authority.

The current functions of VMIA are to assist state government departments and participating bodies to establish programs for the identification, quantification and management of risks; to monitor risk management by departments and participating bodies; to act as an insurer for, or provide insurance services to, departments and participating bodies; to provide indemnities to persons who are or have been officers of a state company or statutory authority against liabilities that by law might attach to those persons as such officers or former officers; to provide risk management advice to the state; and to provide risk management advice and training to departments and participating bodies. However, the assets of HGFL will be given to the state which will form a new fund called the Housing Guarantee Claims Fund. VMIA will administer this fund until the scheme is finalised, and then the fund will be paid into the Domestic Builders Fund.

We have a number of concerns. The first is that there was very little consultation with key stakeholders, despite the fact that the industry has contributed enormously to the HIH fund. We have been advised that members of the industry wanted to have input, but the government refused to meet with them and refused to take on board their concerns when it was drafting this legislation. I would like the minister to explain why the government did not consult with the key stakeholders, and why it did not go out and speak to the appropriate people.

The second concern is that the bill is supposed to protect the current entitlements of HGFL staff. However, I am advised that not all staff will be employed; some will be made redundant and some will be sacked. I would like the minister to explain whether all staff will be moved over, or whether some staff will be moved over and others made redundant.

I am not convinced that the current board of VMIA has the expertise to deal with these types of claims. I am pretty sure that the members are competent and hardworking; that is not the issue. The issue is whether they have the expertise to deal with these types of claims. VMIA's web page lists all the board members and their background. No-one has this type of expertise. I ask the minister whether he will appoint someone else to the board or will move someone to allow someone else to take over. I would like some information on whether this board will remain as is or will increase its numbers.

What is going to happen to all the money? Proposed section 17E(1) states:

> VMIA may invest any part of the Housing Guarantee Claims Fund that is not immediately required for the purposes of the Fund in any manner approved by the Treasurer.

Does that mean that the Treasurer can decide where the money goes? Can he use it during election time to buy votes? I would like the minister to explain the meaning of this clause. Where is the money going? Proposed section 17E(4) states:

> VMIA may dispose of any property (other than money) in the Fund.

Again, will the government dispose of the property to use the money for political purposes? I would like the minister to explain that situation.

I looked at the financial statement of HGFL for the year ended 30 June 2004. Claims paid for 2004 amounted to $1.3 million. The administrative expenses were $1.08 million. Payments for people to administer the fund were just as much as payments for claims. I find it

extraordinary that so much money has been spent on administration costs rather than on helping those who have lost as a result of the HIH collapse.

As I said, the opposition does not oppose the bill, although it has a number of concerns, which I have outlined. I hope the minister — or in the minister's absence, his representative — will be able to answer those questions before the bill goes to the other place. It is important that we look after the consumers, and it is important that we look after the builders. Both sides of the equation need to be looked after to make sure that everyone benefits. This legislation is a good first step, but it is important to get it right the first time rather than having to come back with further amendments because it is sloppy or careless. The opposition will not be opposing the bill.

Mr DELAHUNTY (Lowan) — On behalf of The Nationals I rise to speak on the Housing Contracts Guarantee (Amendment) Bill. My colleague the Honourable Damian Drum in the other place prepared for our party a briefing note which we discussed, and we came to the position that The Nationals will not be opposing the legislation.

The purpose of the bill is to transfer the responsibilities of the Housing Guarantee Fund Ltd (HGFL) under the house contracts guarantee system and the domestic building (HIH) indemnity scheme to the Victorian Managed Insurance Authority (VMIA). The Nationals consulted very widely including with the Builders Collective of Australia, Glen Wade of Glen Loddon Homes, Jason Westcott Builder and Brian Fitzpatrick Builders. I also consulted with many builders in the Lowan electorate. The Nationals are not opposing the bill because it moves HGFL to the government-run VMIA. There are myriad issues pertaining to builders insurance that remain unchanged, and this legislation will not pick up some of the concerns expressed by the member for Bulleen. I will also cover some of our concerns.

There has been enormous controversy and concern not only from builders across Victoria but also from people who are having a house constructed. The collapse of HIH caused enormous concern. In reality the state government was very slow to act. It was only because of the leadership shown by the Leader of The Nationals that we were able to get the government up to the mark to address some of the insurance problems. We saw the federal government initiative with the first home owners grant, and I am pleased to see that this government has continued with that. We have been able to keep the building industry ticking along reasonably well. But this government was very slow to act in relation to the collapse of HIH. In the north-west of the state and right across — —

Mr Maughan — It is booming in Echuca.

Mr DELAHUNTY — The member for Rodney says that building is booming in Echuca. He also understands about the drought and the water concerns across the area. Our building industry has been booming, particularly in the regional centres. But again, the collapse of HIH was of major concern to builders, and I want to highlight that fact with some articles that I have collected from the library.

Before doing so, I want to thank the library staff, who do an enormous amount of work in this place. At short notice Michael was able to collect some media articles and some of the reports that I will refer to later. I also want to pay tribute to Gail Dunston. I received a letter from her last week telling me that she has resigned from the parliamentary library staff. We no longer have a parliamentary library department, yet the staff in the reference library play a very important role. Every person who comes through this house, and every child who comes through on a school excursion, not only wants to see the two chambers but also wants to visit the library, which is a very important resource for us as well as for our staff. I want to recognise Gail Dunston and thank her for the work she has done not only for me but also for other members of The Nationals and, I am sure, for other members of this house.

Mr Plowman — All sides of the house.

Mr DELAHUNTY — For all sides of the house, as the member for Benambra said. Gail has supported everyone in this house and we thank her for her work.

I want to highlight the concerns of the building industry which were raised in an article in the *Herald Sun* in August 2004 headed 'Cover charge', with a subheading '*Choice* magazine has slammed Victoria's home warranty insurance scheme'. Another article from the *Herald Sun* dated 26 July 2004 is headed 'Builders going to the wall'. It states:

> Builders are preparing for a legal assault on the building warranty scheme, claiming it is driving them out of business.

It goes on to say:

> Collective president Phil Dwyer has launched an action in the Victorian Civil and Administrative Tribunal.
>
> Mr Dwyer said scores of other small and medium-sized builders were set to follow.

An article in the *Herald Sun* on 2 August under the heading 'Bracks to face builder anger' states:

> Frustrated builders will today hammer home their concerns over warranty insurances at the protest meeting outside Steve Bracks' office.
>
> Busloads of builders from as far as Warrnambool, the Goulburn Valley and East Gippsland will … converge on the Premier's parliamentary office in Treasury Place.
>
> The Builders Collective of Australia insists problems with the compulsory builders warranty insurance scheme are crippling some small and medium construction firms and driving others out of business.

An article in the *Age* of 18 September 2004 headed 'Risk reverse for home builders' states:

> Three ex-builders are taking on established warranty schemes with a new kind of builders insurance.
>
> …
>
> The system allows for more flexibility for builders to expand their businesses without paying higher insurance costs.

There was an enormous amount of concern in the building industry. I say again that the Leader of The Nationals played a leading role in working with the federal government and this government to bring the state government up to the mark on some of the issues highlighted in that newspaper article. As I said, The Nationals will not be opposing this legislation.

I want to highlight some of the consultation done by The Nationals. We consulted with Glen Loddon Homes, and a letter received by my colleague in the other place Damian Drum refers to Chris Ryan, one of the key staff members at Glen Loddon Homes. The letter states:

> Chris is querying why they are bothering to do it at all. Is it just the same entity with a new name?

We know that is true. The letter continues:

> Have they managed to cap the liability at a certain length of time? There was a plan to cap it at 10 years, about nine years ago, and the Housing Guarantee Fund stopped issuing guarantees nine years ago. If it was capped at 10 years, the cost of moving this entity from one place to another is probably prohibitive for the 12 months that would be left.
>
> Are they looking to provide warranty insurance?
>
> The bill mentions a list of builders and supervisors will be put together by the 'approved guarantor'. Where will they get the names for this list, or will builders have to apply to be on it?

That is a question I put to the minister in relation to this legislation, or to the next speaker who might be answering. The letter continues:

> Building insurance has now levelled out —

thankfully for all of us!

> A lot of builders have got their insurance in place again and are back to where they were a few years ago. As there is now more competition in the market they are able to negotiate better deals, and the average broker has access to these insurance providers as well.
>
> Builders who had insurance with HGF had to leave bank guarantees with HGFL for seven and a half years after they finished their last house, so the HGFL has become increasingly redundant.
>
> … this legislation could have gone through and been passed, and most people would not have noticed a major difference.

That is true in the operation of the legislation, but the letter raises some of the concerns brought up with my colleague in the other place the Honourable Damian Drum in the consultation process.

As I said, there was major concern because of the inaction of this government. Again it came up to the mark — slowly but surely it got there — but the impact on builders has been nowhere more brightly highlighted than in the fact that HGFL was to manage the difficulties faced by builders after the collapse of HIH. Notably among these concerns are the bank guarantees still held by the liquidators against many HIH-insured builders, and that was brought in by the last letter I read.

Phil Dwyer, the national president of the Builders Collective of Australia, noted:

> These guarantees continue to have a particularly adverse impact on these building businesses, and it would be appropriate for the government to return these bank guarantees on or before their takeover from HGFL.

This is a question I put to the next speaker: can those guarantees be passed on or do they need to be held by this new entity; or can they be passed back to the builders at this stage? Phil's note continues:

> The HIH levy currently being collected by the Building Commission should be abolished if the government takes over HGFL, as this levy simply makes the remaining builders in the industry responsible for the criminal actions of a now bankrupt insurance company. This levy is purportedly being collected to help finalise these current and outstanding HIH claims.

They are fairly provocative words. I do not totally agree with all that Phil Dwyer says, but again we can see that his remarks highlight a concern of many within the industry.

In researching this bill — as I said, I thank the parliamentary library — I was able to get a copy of the financial report for 2003–04 of the Domestic Building (HIH) Indemnity Fund. It shows that the operating profit of the fund for the financial year was $388 627,

down from $1 201 735. This organisation should not be making a total profit; we just want to make sure it covers its costs. The report shows that there were many claims, and I will not cover them in my short contribution to the debate here today.

I also looked at the annual report for 2003–04 of the Housing Guarantee Fund, which I believe has the same directors, and note that in the last financial year HGF, which processed both HGF and HIH claims in the last 12 months, finalised 119 HGF claims at a cost of nearly $1.5 million and 682 HIH claims at a cost of $2.8 million. As at June 2004 there were still a total of 600 claims in progress. There are still many claims out there that are being worked through with HGF or HIH.

It is interesting to note that since the inception of the government's HIH rescue package in June 2001 HGF has processed 2854 HIH claims at a total cost of $18.5 million. There was an enormous amount of concern, but you can understand why, when there was that amount of money paid out. Builders and particularly home owners were worried about whether they were going to have that type of insurance.

There are six directors of the HGF, and I looked through their qualifications. I do not know any of them personally, but my understanding is that they have all the skills to be able to run the organisation, and I commend them for that. The member for Bulleen brought up a relevant point: the cost of administration of the organisation is of concern to many because it is costing as much as is being paid out. It is also interesting to note that the staff of the organisation has gone down from 28 employees in 2003 to 25; it has been winding down slowly over the last year. We in The Nationals do not have any problem with the organisation becoming the new entity.

The new organisation or authority, which is now to be called VMIA, was established under the Victorian Managed Insurance Authority Act 1996 and became operational on 1 October 1996. The authority is also the successor in law to the state insurance office and therefore manages the residual assets and liabilities of the SIO. I again looked through this report and noted that the vision of the VMIA is to:

> … provide excellent risk management and insurance services and advice to the government and clients.

Its values are, as this report says, to:

> … deal with stakeholders without bias or conflict of interest …

That is commonsense. The objectives of the VMIA are to:

> … formulate and provide insurance solutions to clients.

The member for Bulleen highlighted the concern that was raised with us also as to the lack of consultation with the industry in relation to this legislation. My understanding from speaking with my colleague the Honourable Damian Drum in the other place is that that concern has also been raised with us. I thought it would have been mandatory, particularly as the industry contributes most of the finance for the running of this organisation.

Page 12 of this report goes on to talk about the financial result summary. It is interesting to note that last year the VMIA had a loss of $3.985 million as against a profit in 2002–03 of $14.84 million, so there are some concerns raised there. It is interesting to note, though, that the net surplus within the organisation is still $27.752 million. Obviously they still have plenty of money in the bank, as the saying goes, to cover, I would hope, most of the claims that could come through.

It is interesting to note that the investment return before fees was 13.20 per cent in the year 2002–03 as against the previous year's return in the minus range. We know that has come about mainly because of the share market. The directors are also listed in this report, and I believe they have the skills to appropriately run the organisation. I wish them all the best.

It is interesting to note that the staffing profile of VMIA at 30 June 2004 was 40.2 full-time equivalents as against 28.9 full-time equivalents in 2002–03. The member for Bulleen raised some concerns about staffing and about people moving away from other organisations into this new VMIA organisation, as well as the concern that there may not be jobs there for them. There is a commitment in the second-reading speech that no staff with entitlements will lose their jobs. Hopefully that is true, particularly for the staff.

I finish off by saying that when I looked at the VMIA claims expenses and net incurred claims, it was interesting to note that in the last financial year the direct claim costs for VMIA were $121.057 million. It is a big organisation with a lot of money going through its accounts, and is therefore a very important organisation for the building industry, particularly for the consumers — those people who are having properties built, whether it be commercial buildings or houses.

There is a lot of concern out there, and that is largely not dealt with in this bill. This bill is a simple piece of legislation because it moves HGFL over to the government-run VMIA, and that will also pick up the domestic building (HIH) indemnity scheme.

The Nationals will not be opposing this legislation. We believe it is important to have insurance. I noticed that in a piece of correspondence I received from Phil O'Dwyer there are some other concerns, and I want to read them into *Hansard.* He talked about comparative housing starts by states in Australia. He noted that in 2004 Queensland had 41 600 housing starts, Victoria had 41 610 starts and Western Australia had 22 910 starts. But when we compare that with the figures back in 2001, we see that for Queensland there has been an increase of 45 per cent; for Western Australia, 38 per cent; but for Victoria, only 1.4 per cent.

Even though the building industry in Victoria is still ticking along pretty well, the reality is it has not grown at the same level as in Queensland and Western Australia. That sends a message to the Victorian government that even though the economy is ticking along reasonably well, it has capitalised on the building industry only because of those first home owners grants that were brought in by the federal coalition government. The Victorian government has been dragged along by the coat tails of that. When you compare the figures with those for other states, Victoria is not performing as well.

With those few words I indicate that The Nationals will not be opposing this legislation. I hope the government addresses the concerns raised by The Nationals and the member for Bulleen.

Mr HUDSON (Bentleigh) — It is a great pleasure to speak in support of the Housing Contracts Guarantee (Amendment) Bill. This bill implements the government's decision to transfer the current responsibilities of the Housing Guarantee Fund Ltd (HGFL) to the Victorian Managed Insurance Authority (VMIA). It will transfer responsibility for the Domestic Building (HIH) Indemnity Fund and claims on those funds to the VMIA.

The bill also allows the minister to close the new Housing Guarantee Claims Fund once all the claims have been satisfied. It is important to note that the HGFL has a proud history. It has been part of the strong legislative regime we have had in Victoria regulating the building industry and providing insurance guarantees to those who are renovating, building or purchasing houses. Under the government's housing builders liability scheme that was originally introduced in 1974, builders were recognised and accredited to build houses and were required to provide a six-year insurance guarantee to their purchasers. The HGFL was the body that delivered on that guarantee.

In 1995 the domestic building warranty insurance was introduced for builders and the HGFL was left to handle claims under guarantees that had not yet run out. Then we had the collapse in 2001 of the HIH Insurance group. There is an old saying in insurance circles — there are very few surprises when it comes to insurance, but when they do come, they are nearly always bad news. The collapse of HIH was certainly that.

HIH was one of the biggest insurance companies in Australia. It encompassed organisations like FAI Insurance and CIC Insurance and it covered many types of insurance in Australia and overseas — things like workers compensation, compulsory third party, motor vehicle insurance, building insurance and home contents and travel insurance. It was a huge organisation and it collapsed with losses of up to $5.3 billion. It basically collapsed because of a longstanding practice of under-reserving. Put simply, HIH collapsed because it worked on thin margins, and when the chickens came home to roost, it did not have enough money to pay for future claims.

Most insurance companies are prudent enough to make sure that they have adequate margins, but Ray Williams, the head of HIH, took great pride in the fact that he worked on very thin margins. He told the royal commission into the HIH collapse that relying on safe margins encouraged lazy habits, and he wanted to keep his claims officers working very hard rather than just having their feet under the desk. HIH also collapsed because of its disastrous acquisitions policy, which included in 1998 the acquisition of FAI with little or no due diligence.

FAI and the antics of that organisation ultimately helped bring HIH down. It is important to point out, however, that FAI was a disaster from the very beginning. In fact John Palmer, the former head of the Canadian prudential regulation authority, when asked to review the role of the Australian Prudential Regulation Authority (APRA) in HIH's collapse, found that FAI was probably insolvent in 1978 when then federal Treasurer John Howard issued it a trading licence. The Canadian regulator was saying that the insurance company FAI was a poor bet and probably insolvent even at the time of it being issued a trading licence in 1978.

APRA was also severely criticised by the royal commission for its light-touch regulation of the insurance industry. The fact of the matter is that APRA failed to supervise HIH and did not launch an investigation into its problems early enough to prevent what was to become the biggest corporate collapse in Australia's history. It ignored the warning signals about

HIH. The policyholders, the shareholders and ultimately the taxpayers have suffered the consequences. Under the Howard government, the regulation of the insurance industry was not adequate, it was not robust enough and it certainly was not sufficient to prevent what were called the 'rivers of money' running out of HIH into all sorts of dubious investments.

When we look at this whole episode we find that the then treasurer of the federal Liberal Party, now the federal member of Parliament, Malcolm Turnbull, who was then the Australian representative for the American merchant bank Goldman Sachs was criticised by counsel for the royal commission for his role in this rather sorry saga. In 1998 Goldman Sachs assessed FAI for a possible takeover. However, when it assessed the books of FAI it decided that up to $200 million of FAI's new assets should have been written down, so the takeover was abandoned. However, Goldman Sachs later advised FAI during the HIH takeover. The submission by counsel for the royal commission was that Goldman Sachs had a legal and ethical duty to reveal what it knew from the 1998 assessment to the FAI board. There are many people who do not come out of this saga looking good.

There are lots of lessons to be learnt from the collapse of HIH. Firstly and obviously, running a financial strategy close to the wind on margins can destroy even the biggest and soundest of businesses in Australia. Secondly, where regulators fail to regulate properly and monitor companies, greedy directors who are able to get their snouts in the trough at the expense of shareholders and the public rarely, if ever, pause to question their own good fortune. In the case of HIH it was clear that the directors were happy to continue splurging other people's hard-earned money on themselves and on appalling and dubious investments. They then hid their failures from shareholders and the regulator behind shonky accounting practices.

The final lesson that needs to be learnt is that bodies like APRA must maintain a healthy scepticism and a distance from the industry that they are charged with regulating. It is simply not good enough to accept the reassurances from the industry that all is well. It has to remain intensely sceptical of these claims and keep a rigorous eye on what is going on.

In his contribution the member for Bulleen made a number of astonishing claims which cannot go unanswered — for example, that the funds in the new VMIA body could be used for political purposes by the Treasurer when it came to election time. The bill makes it absolutely clear that the role of Treasury is the supervision of VMIA to ensure that its investments are proper and in accordance with prudential requirements. The Treasurer oversights the investments that are made, but proposed section 17E in clause 13 of the bill makes it very clear that the power of investment lies with VMIA, not with the Treasurer.

To suggest that the Treasurer somehow is going to use these funds for political purposes demonstrates that the member for Bulleen simply has not read the bill. He does not understand it; he does not understand that the Treasurer is not in any position to use any of the funds within the VMIA for any purposes, let alone political purposes. This is an important reminder of what happened in relation to HIH — that if you do not have proper supervision or if you do not have proper regulation, then a collapse of the magnitude that occurred with HIH may occur. However, consumers here can be confident that whatever the wash-up from the HIH outcome, their interests will be protected, and it is nonsense for the opposition to suggest otherwise.

This government put $35 million into the bailout of those policyholders affected by the HIH collapse. This government said it would stand behind those claims; we will continue to stand behind those claims. This bill reflects merely the transitory arrangements which need to be put in place to ensure that those claims are going to be met in the future. This bill simply allows for the orderly rundowns of the fund that HGFL has been responsible for now that it has very little work to do following the settling of HIH's claims, the introduction of the Domestic Building Contracts Act and the fact that the provision of statutory builders warranties is now backed by compulsory builders warranty insurance. There is nothing more to it than that. There are no hidden agendas. There is no hint at all that these funds are going to be used improperly. It is regrettable that aspersions have been cast on the boards of these bodies. I commend the bill to the house.

Mr COOPER (Mornington) — This bill is a further step in the efforts by this government to get back on track in regard to the protection of consumers, particularly in the house building industry. Part of the background is the situation confronting builders in this state under builders warranty insurance. As the member for Bentleigh said, this all started with the collapse of HIH some years ago, and work has been done since then to try to recover the ground that has been lost through that massive collapse.

The member for Bentleigh gave a bit of history on the collapse of HIH, and what he said in general terms was quite right. However, I think it is a very long bow for the member for Bentleigh to blame the Howard

government for the situation that Victoria finds itself in and has found itself in now for quite some time. It is clear to everyone in the building industry that since the collapse of HIH there has been massive mismanagement in regard to builders warranty insurance. The situation may not be peculiar to Victoria, but certainly Victoria is in the minority of those states and territories that have not dealt with the situation competently and promptly. The member for Bentleigh and other members of the government need only direct their attention to Queensland to see how the situation could have been overcome so that the building industry was not left holding the bag and suffering as it has been since HIH collapsed and builders warranty insurance virtually became a plaything of the insurance industry, to the detriment of builders, and particularly small builders, in this state.

I might add that if members of the government want to see how things really are, they need only read today's *Age*, where a report discusses a review of Victoria's economy by the Westpac bank. It states that Victoria is badly lagging behind the rest of Australia and that the building industry in this state is in decline. If members do not believe those statements by Westpac, they ought to talk to small builders in their own electorates, and if they do they will soon find out the situation the building industry is really in.

I am a product of the building industry: my grandfather was a builder, my father was a builder and I worked in the building industry for most of my life in one form or another before entering this Parliament. So I claim to know a bit about the industry, and I have kept in close touch with it since becoming a member of this place. I count many builders among my friends and the people whom I am close to in my electorate. They are constantly keeping me informed of what is going on, not only because they want to keep me informed but also because they know I am very interested in the industry and how it has developed. I can only say now that I am glad I am not part of it, because things have changed dramatically over the last 20 years in the way the building industry operates, is overviewed, overmanaged, overregulated and overcontrolled, both by government and now by the insurance industry, which has had a green light from this government.

It has had this green light since the HIH collapse. We all know what went on back in those days. We saw the insurance industry wringing its hands and saying that it was in serious trouble and that unless the government complied with its demands — it went beyond requests and became demands — insurers would go broke. This government swallowed the line and gave the industry the green light. As a result in the last couple of years we have seen record profits made by insurance companies. Nobody can deny that the insurance industry has done very well indeed, particularly in this state.

However, for everyone who does well there is always someone else who does not do well. In this instance the people who have not done well are the builders, who have been put on the rack by the insurance companies and who in many cases have been put out of business, having been squeezed dry. Good builders, people whom I have known, have had their businesses — the extent to which they can take on contracts — controlled. They have been told by their insurance companies whether or not they can take on contracts.

A builder in Mount Martha in his early 50s who had been in business for years — he had grown up in the trade — was approached by some people who knew him and knew the quality of his work. They wanted him to build a house for them worth $450 000 — a decent-sized job. They approached him because he was a quality builder. They had seen his work and knew he was the man they wanted to build their house. But what happened?

The insurance company, Vero Insurance, refused to cover him for his work. It said it was beyond his capabilities and therefore another builder would have to do the job because he could not get insurance cover. There was then movement at the station, as it says in *The Man from Snowy River*. Both the client and the builder put into effect an owner-builder arrangement so the job could go ahead. But this was not the right way to go about it. This was not satisfactory for the builder. His client should not have had to go to that extent to get the job under way and the house built. But that is what occurred because the client and the builder could not do what they wanted to do, which was to build this house.

Builders are not against providing a genuine first-resort warranty scheme to their clients. They are all for it — that is what they want — but they also want a genuine first-resort scheme, not the last-resort scheme which is currently being foisted upon them. The current scheme, a last-resort insurance scheme, is an absolute bonanza for insurance companies, because they never get a claim. I would like to know from any insurance company that provides warranty insurance when it last had claim under a last-resort warranty scheme that it had to pay out. There literally would not be one. As I said, builders want to have a first-resort scheme, not a last-resort scheme. They want it to be genuine and decent, because the last-resort warranty products that are there at the moment are awful for both clients and builders. They give no protection to clients at all. All the builders do is pay out. They just pay money to the

insurance companies, which have no reasonable prospect whatsoever of having to pay out on a claim.

On top of all of that, the onerous provisions in the builders warranty products force many builders — and unwitting owners to boot — into the owner-builder subsector of the building industry, and that is what happened in the instance in Mount Martha that I just described. Those onerous provisions force a situation into being where an insurance company will tell a builder whether he can or cannot do a job. Builders who have been in the industry for generations are now being forced to comply with the demands of an insurance company rather than the requests of the owners who wish to employ them. Many more take the next step, which is into the black economy sector of the industry, where there are no permits, contracts, insurance or protection for anyone.

This is the situation that so many people in Victoria have been forced into. It is a situation that the government either ignores or alternatively has no idea about. It is quite happy to turn a blind eye and say, 'We do not want to know about it', or alternatively it is so ignorant it does not actually know what is going on in the industry. There are many more aspects of this legislation that concern and anger me, and they include the collapse of HIH Insurance and what has gone on since. I am very reluctant to not oppose this bill. I hope it is a step forward, but I hope it is not the last time we see this government taking some action to put in place a decent and proper system of warranty insurance in this state, as has been done in Queensland.

Mr WILSON (Narre Warren South) — I am pleased to rise and speak in support of the House Contracts Guarantee (Amendment) Bill. This bill serves to establish the Housing Guarantee Claims Fund, a fund that will be established from the assets of the Housing Guarantee Fund Ltd (HGFL), which will be wound down over a 12 to 18-month period. At the request of the HGFL the administration of the scheme will be taken over by the Victorian Managed Insurance Authority (VMIA), which will provide certainty to both builders and consumers. It is that certainty that the previous speaker raised.

Another section of the bill gives the VMIA responsibility for the administration of that fund and the Domestic Building (HIH) Indemnity Fund, and claims on those funds. As the member for Lowan noted previously, the VMIA has an accumulated surplus of more than $27 million. Finally, the bill provides for the transfer of rights, property and responsibilities of the Housing Guarantee Fund Ltd (HGFL) to the state in anticipation of the winding-up of the HGFL. This will ensure that the current HGFL staff who transfer to the new authority will not be disadvantaged by the transfer, and this bill protects the current leave and other entitlements of those staff.

Back in 1974 a builder's liability scheme was introduced in acknowledgment of the need to protect consumers against defective or incomplete domestic building work by approved builders. This gave consumers a period of seven years to seek recompense for defective workmanship. I congratulate the Housing Industry Association (HIA) and the Master Builders Association of Victoria (MBAV) which set up the original scheme. A quick check of the Australian Bureau of Statistics web site shows that the domestic housing section, although slowing, continues to remain strong in our state.

As members would be aware the city of Casey in the south-east growth corridor of Melbourne has an estimated 60 families per week moving into that municipality. The housing construction slowdown is reflected in the city of Casey with the number of families moving in having reduced from 80 to the current 60 families a week. The majority of those families are relocating to newly constructed houses, which industry is a large source of employment for the region. The large number of dwellings being constructed in the city of Casey, one of the fastest growing municipalities in Australia, ensures that this bill is of great interest not just to my constituents but to the residents of the south-east growth corridor.

Previous speakers have spoken of HIH and the difficulties caused in the general insurance area by its collapse. Having worked for a British-owned insurance company after finishing university, I can clearly remember the shock when I heard that HIH had collapsed. In my view HIH appeared to be writing insurance for less than others, driving down the income not just to HIH but also to other insurers. Consequently, when HIH ceased writing insurance, the cost of warranty insurance rose significantly, adding to economic uncertainty in the state. The state government took appropriate action, and there has been discussion already of the many tens of millions of dollars allocated to the HIH funds to ensure appropriate claims were met.

As with any industry there will be a few occasions where workmanship is not up to the standard expected by consumers, necessitating the intervention of authorities such as the VMIA to ensure recompense for incomplete or defective building work by approved builders. On more than six occasions I have spoken in my electorate office with constituents about instances

where the quality of the domestic home building has been less than what they believed reasonable. In the majority of cases, with the assistance of HGFL and other insurers, the details of the complaints have been documented and assessments made of the technical building works needed to rectify the building faults. In several cases, appropriate claims were paid.

As a former councillor of the City of Greater Dandenong, I remember one case where a brand new house in Keysborough was significantly rebuilt. The house had two storeys and the walls were not even vertical; the shower was coming away from the remainder of the bathroom. It was an absolute disaster.

While the process of making a complaint can be frustrating, and it is equally frustrating when you are the builder, it is an absolute necessity to have a useful process to correct faulty building work in new houses. As a home owner I am fully aware of the issues faced by the builders and consumers in the construction of one's dream home. The process is fraught with possible conflicts between builders and consumers. For the majority of families the construction of the family home is the single most expensive item they are likely to purchase within their lifetime.

The Victorian Managed Insurance Authority will continue to provide recompense to consumers for defective and incomplete building work by those approved builders. This bill will ensure the smooth transition of responsibilities to the VMIA with the winding-up of the HGFL and it gives certainty to the public — be they builders, consumers or staff at HGFL. I am pleased that all parties in this house support the bill, and I commend it to the house.

Mr CLARK (Box Hill) — This is a bill to wind-up the Housing Guarantee Fund Ltd (HGFL) and to transfer its assets and liabilities to a Housing Guarantee Claims Fund. The history of the housing guarantee fund, going back to its earliest days, is outlined comprehensively in the minister's second-reading speech. Unfortunately, while the minister's speech is helpful and interesting in relation to the earlier history of the fund, it perhaps not surprisingly passes over some of the more recent history of the fund because that history has proven to be quite controversial and has demonstrated some of the Bracks government's inability to manage — in particular the way in which the Bracks government responded to the crisis arising from the collapse of HIH.

Without going through that history in great detail, it took the government a long time to realise that that collapse was creating a crisis both for consumers who had insurance through HIH and for those builders who needed to have builders warranty insurance in order to continue carrying on their trade.

Belatedly the government introduced legislation to create a fund to help consumers formerly insured with HIH, and that fund was to be administered by the HGFL. The government failed at that time to act to help the builders who were struggling to obtain builders warranty insurance, and that went on to a separate and protracted saga before anything was done to help those builders. What was done was belated, and many builders were driven out of the industry before they were able to obtain insurance.

We also had the deplorable attempt by the government to retrospectively change its own HIH insurance legislation in order to deprive some builders of the indemnity that had been provided to them in the initial legislation. The government's refusal for a long time to accept the opposition's concerns and amendments on that area delayed some important aspects of the legislation being implemented and relief being given to consumers.

We are now several years down the track, and the government has reached the conclusion that the Housing Guarantee Fund Ltd should be wound up and that responsibility for the outstanding claims should be transferred to the Victorian Managed Insurance Authority. There are a number of unresolved questions and concerns about what is being done under this legislation, and I want to add a few words to what has been said by previous speakers on this side of the house about it.

The concept of winding up and transferring the fund is understood on the basis that its activities are slowly diminishing, particularly its residual indemnity liabilities dating back to the responsibilities that ceased in the mid-1990s. Unfortunately the second-reading speech and the contributions by government members to the debate so far have shed very little light on the current position in relation to claims relating to consumers formerly insured with HIH — in particular, what, if any, further claims are still coming in or may in future come in, and what is happening about funds that the building industry is paying that are to be contributed to the HIH scheme. One of the elements of the scheme which I referred to earlier and which the government introduced following the collapse of HIH was a levy on the building industry. Is that levy going to continue? If so, for how long? Where is it going to be paid, and what is going to be done with the proceeds of the levy? How will the VMIA manage any future claims that may come into it?

Following on from that point, it should be placed on the record that many within the building industry have given considerable service on the board of the Housing Guarantee Fund. They have devoted a great deal of time and energy to the benefit of that fund to assist consumers and to maintain and enhance the standing and reputation of the building industry. Acknowledgment should be made of the considerable amount of time and expertise that persons associated with the building industry have contributed in their capacity as directors of the fund, and acknowledgment should also be made of the good work of many who have served that organisation in its management or as staff.

The question that arises is how well placed the Victorian Managed Insurance Authority will be, particularly at a board level, to bring the skills, expertise and building-industry experience that were previously possessed by the Housing Guarantee Fund to the tasks they will be asked to perform under the changes being made by this legislation. That is a matter which I would hope subsequent government speakers in this debate or the minister in closing the debate may address.

I will raise two other issues briefly. One is the fact that from the accounts of the Housing Guarantee Fund it appears that there has been a relatively high level of administrative expense in relation to the claims that are being paid out. There may well be a good reason for that, but on the other hand I think some explanation is due for the fact that, for example, in the year to June 2004 administrative expenses are shown in the accounts as being $1 086 662, compared with other expenses such as the decrease in the provision for claims-related expense of $1 622 110 and total revenue of $2 554 733. Is that a reasonable level of costs to have been incurred?

Secondly, the balance sheet as at 30 June 2004, which I understand is the last balance sheet available for the Housing Guarantee Fund, shows the net total funds of that body as being $3 630 191. Assuming there are positive net assets of the organisation as at the time of the transfer of its assets and liabilities and the cessation of its operations, what is going to happen to that net balance? Is it something that is going to accrue to the shareholders or to the state? From my reading of the bill it would appear that the property rights and liabilities of the fund are to be transferred to the state, in which case it would appear that that would provide a net gain to the state of the balance of the net assets of the fund at the time of the handover of the property rights and liabilities. Again, I believe that is another issue which needs to be addressed during the course of that debate, and I look forward to whatever explanation is able to be given for the matters that I have raised.

Ms D'AMBROSIO (Mill Park) — I also rise to support the House Contracts Guarantee (Amendment) Bill. The proposed Victorian Managed Insurance Authority (VMIA) has in its previous form provided highly desirable consumer protection for defects or incomplete works arising from a contract for the undertaking of domestic building work. The period of protection extends for seven years. It is protection which originally started at six years, when the notion of builders warranty insurance was first introduced in Victoria in 1974. There is a lot of history to increasing the scope of the Housing Guarantee Fund Ltd (HGFL), as it has been known.

An important marker of change occurred in 1987, under a previous Labor government, when changes were introduced to allow for greater supervision of the scheme's operation by the government. The scheme again underwent some change in 1995, with restrictions. In 2001 the Bracks government responded to the collapse of quite a number of companies in Victoria as a direct result of the HIH Insurance group collapse. The HGFL's scope at the time was expanded to include responsibility for administering the domestic building indemnities scheme. This bill will continue the protections afforded to consumers and builders under the HIH indemnity scheme. It will do that simply by transferring the responsibility for and the administration of the scheme to the new VMIA. These protections and responsibilities will remain until claims run out.

The bill gives legal effect to the transfer of responsibilities and functions to the new entity. The transfer also will ensure that the assets of the HGFL are fully protected. A new fund, called the Housing Guarantee Claims Fund, is also to be established by the bill. At all times the state remains the successor in law of the HGFL's assets and liabilities. The entitlements of the staff will also be carried over to the VMIA once their employment is transferred to the new body. The VMIA will be required to prepare financial reports on the two funds annually, thus continuing a very important accountability process. Transferring the HGFL responsibilities to the VMIA will not diminish builders warranty insurance or consumer protections. Of course it is worth noting that all parties in the chamber accept and acknowledge that.

This government has acted on a number of levels with respect to last-resort insurance, as builders warranty insurance is sometimes referred to. The government has established the builders warranty insurance forum, which has representation from government, insurers

and the building industry. Victoria's domestic building insurance landscape is stable. Insurers in Victoria now total six and the view is that with this increased entry insurance premiums will become more competitive — and there are certainly winners on all sides with respect to that.

Many speakers before me have made various comments about HIH, including maladministration by its directors, which left tens of thousands of home owners without insurance cover. This government acted quickly in response to the eventual fallout, which led to destabilisation in the building industry with respect to builders warranty insurance. I am pleased to see that indications to date demonstrate a level of stabilisation in the building industry with respect to builders warranty insurance.

I do not wish to add much more except to say that this is a practical bill. It simply transfers existing responsibilities and the administration role from one body to another and importantly preserves consumer protection through the maintenance of a builders warranty insurance scheme.

Mr LONEY (Lara) — It is a pleasure to make a few brief remarks on this bill, which is very important to Victorian consumers who are entering into the purchase of a new house or doing major renovations on their properties. Probably the single biggest financial transaction that most Victorians have in their lifetime is the purchase of a new house and this bill is about ensuring that consumers will continue to be protected for insurance under house contracts for building or renovations.

The primary aim of the bill is to transfer the responsibilities that were under the former Housing Guarantee Fund Ltd to the Victorian Managed Insurance Authority. That encompasses, of course, the responsibilities that the HGFL undertook in recent years when it picked up the responsibilities also of the Domestic Building (HIH) Indemnity Fund. Quite a bit of comment has been made this afternoon about the collapse of HIH, which was one of the most disastrous collapses in the insurance industry in the history of this country and had repercussions right through many industries, but particularly the housing industry. This government and other governments around Australia had to act to ensure that insurance provisions were properly underwritten and that the housing industry was not subject to disastrous collapse as a result of the mismanagement of HIH.

I was interested in some of the comments made by the member for Mornington on the subject. I think that he actually indulged himself in a bit of revisionist history on this particular matter. As I recall it, at that time members of the opposition were coming into this place almost daily arguing that the government should act on the matter. Today he was trying to take a completely different line on the government having underwritten the fund. He was saying that perhaps the government should not have done so because all that has happened is that insurance companies have made huge profits. That is certainly not the line that was being taken at the time. It seems to me that the member for Mornington is yet another of those who with hindsight have perfect 20/20 vision but perhaps are not so visionary in the current climate.

As I said, the bill is about protecting consumers by ensuring a stable winding down of the house contracts guarantee scheme and the domestic building indemnity scheme. I comment on a few features of it. The first is the protection of consumers. It is absolutely correct to ensure that consumers who are currently involved in claims that go back are properly protected.

Another thing I comment on is that the bill also provides protections for the staff and registers of the HGFL in relation to those schemes. The bill provides that all HGFL staff will be deemed to be staff of the VMIA under the terms and conditions under which they are currently employed. That approach means that staff entitlements for continuing employees — in particular their entitlements to long service leave — are preserved, whilst staff whose employment is or may be terminated as a result of the changes will be no worse off than if they were made redundant from the HGFL.

It is quite interesting that this is the approach the government has taken, which one would have to say is in stark contrast to the approach being taken by the Howard government in Canberra in relation to employee entitlements when it is considering matters that might come before the federal Parliament in the near future. I urge that government to look at these appropriate provisions, which ensure that long-held entitlements of workers are actually protected and that people are not worse off in the future than they are currently. Would it not be nice if some government members in Canberra could give the same ironclad guarantees about the protection of those entitlements for all workers in Australia as are being given in this bill for workers currently under the HGFL who may be affected by the changes being made by the bill?

The other thing I mention briefly is that while it is a very good thing that insurance entitlements are held by people entering into housing contracts — as I said, it is probably the biggest single financial transaction that

most Victorians will make in their lives — people should also understand that they need to check out these things very carefully before signing a contract. Many Victorians have been caught in bad building deals and have found that they are not fully protected.

I mention constituents of mine in the Werribee area whom I have mentioned before in this Parliament. The Van Ekerens embarked on that wonderful dream of entering into a contract to build a fabulous new home for themselves. On the building works being completed, they found that home to be entirely unsatisfactory — the building was not at all good. They went back to the builders to say that. One thing led to another, and in order to pursue their claim after some considerable time they were forced to go off to the Victorian Civil and Administrative Tribunal, which considered their claim and found entirely in favour of the Van Ekerens.

Through the VCAT mediation process they came to an agreement with the builders, which was that the house that had been built for them should be entirely demolished and a new house to the same quality as the house they had originally wanted should be built for them. The matter continued, and the last time I raised it two years had passed. They had not had their new home built, had spent $80 000 in legal fees pursuing the matter and were being given the complete run-around by those builders. That is the sort of situation that can arise. Unfortunately when you get unscrupulous people in the industry, whether you have a good insurance scheme or not, consumers can be trapped and have bad outcomes.

While the government can put in place legislation such as this — entirely appropriate legislation to try to ensure that Victorian consumers are properly protected — it also cautions people that before they sign any document they should get good, sound advice about what it actually means. They should also check out how reputable the builder they are dealing with is, because if something goes wrong they need to ensure that they have appropriate redress and will not be put through the pain and suffering that the Van Ekerens in my electorate have been put through. This piece of legislation is appropriate legislation, and hopefully it will have good outcomes for Victorian consumers. I trust the bill will pass this place quickly.

Mr BAILLIEU (Hawthorn) — I would like to speak briefly on the House Contracts Guarantee (Amendment) Bill 2005. As members of the opposition have previously said, we will not be opposing this legislation, which basically covers the transfer to the state of the Housing Guarantee Fund's property rights and liabilities in a partial wind-up of the post-HIH builders warranty insurance situation. I have raised builders warranty insurance many times in this house, and there is a view in the government that problems in builders warranty insurance have been fixed. Although this bill is largely administrative, members of the government need to understand that the problem is not fixed. There are builders — small builders particularly — with massive problems. There are consumers with problems. I think it is incumbent on government members to acquaint themselves with the facts in the industry, because there are significant problems.

I attended a briefing on this bill, and I am grateful for the briefing. We were provided with further information afterwards, which was refreshing. I am pleased to have got that information, particularly with regard to the fund as it currently stands, but a range of questions remain outstanding. They are questions about how many claims there are and have been in recent years, what the payout has been and what the premium collect has been. This is information that is fundamental to the construction of builders warranty insurance, yet it has been kept secret behind closed doors — commercial in confidence, we are told — and as a consequence no-one is able to make completely accurate judgments about what is occurring in builders warranty insurance. But, the anecdotal evidence and the information that is compiled by the builders suggests very strongly that there are major problems, and there is a lack of effective competition in the industry.

Last week I raised problems the Builders Collective of Australia has had with the current Victorian Competition and Efficiency Commission (VCEC) inquiry. The commission released a draft report entitled *Housing Regulation in Victoria — Building Better Outcomes* in July of this year. For some 30 or 40 pages that report covers warranty insurance issues. One of the witnesses to that inquiry has been the Builders Collective of Australia, and another witness has been the virtual monopoly provider Vero Insurance Ltd.

Subsequent to their submissions and their appearance as witnesses on behalf of both parties, members of the builders collective received letters threatening legal action from Vero unless their submissions, both verbal and written, to the VCEC inquiry were changed. Those submissions have been posted on the commission's web site and, as I understand it, the commission does not have any problem with them. Nevertheless, we are in a situation where a witness before a government inquiry has effectively been threatened by another witness, and that threat pertains to pressure to remove or alter the submissions that have been made. I have

raised that matter with the Treasurer. As yet I have not had a response, which is perhaps not unusual, but it is still a shame because it is a major issue.

There are innocent people and parties in the builders warranty insurance game who are suffering. Many small builders are paying premiums way beyond what they should be paying.

Builders with good records, with no claims and with long service in the industry are suffering. In addition, consumers are suffering. It is arguable that consumers have all but been ignored in the Victorian Competition and Efficiency Commission report. Interestingly Consumer Affairs Victoria made a submission to the VCEC inquiry — the VCEC even arranged for the CAV to have an extension on its submission — but it is evident from the draft report that that submission has been totally ignored. Yet that submission supported many of the things said by the Builders Collective of Australia and small builders. Again, it is an acknowledgment of the problems in this industry.

The VCEC's draft report basically accepts all the submissions made by Vero, advocates the status quo and says that everything is sweetness and light. Draft finding 7.1 states:

> On balance, mandatory builders warranty insurance appears justified in view of the intractable information asymmetries facing consumers …

Precious little from the Builders Collective of Australia and nothing from Consumer Affairs Victoria is acknowledged or accepted in the report. Key questions have to be asked. How many claims have been made following the change in July 2002? What is the total value of premiums collected? What is the total value of payouts? This information remains secret.

Mr Hulls — It is in the annual report.

Mr BAILLIEU — The planning minister suggests that the information is available in the annual report. To quote Daryl Kerrigan, he is 'dreaming'. The information is not available, and it is not — —

Mr Hulls — It is in the vibe!

Mr BAILLIEU — The planning minister says it is in the vibe. I can tell the minister that the vibe is not in favour of the warranty insurance system that he has currently in place. The tragedy is that the Builders Collective of Australia wrote to the commissioner of the VCEC seeking its intervention to prevent the intimidation of witnesses that was occurring. VCEC is seeking further submissions on the draft by 26 August. Quickly, admittedly, the commission responded — not the commissioner himself, to whom the builders collective had written, but the senior legal adviser, John Rutherford, to whom the builders collective had previously made representations unsuccessfully. All he could say was:

> I hope that it is possible for you to present your views without defaming anyone and accordingly that you are not intimidated from doing so.

He says, 'I hope'. That is simply not enough. The Treasurer needs to act, and I suggest that the planning minister might well take an interest in this effective intimidation which is going on. We have now had further information that VCEC is asking other witnesses to the inquiry to amend their submissions, presumably following the application of similar pressure, and that is simply unsatisfactory.

I believe there are severe problems with builders warranty insurance, although I do not have time to go into them in any length in this situation. But again as a supplement to its submission the builders collective wrote to the VCEC and very clearly spelt out those problems. It spelt out the problems with the lack of information, and I will quote a couple of the problems highlighted in a letter dated 1 July from the Builders Collective of Australia, which states:

> … claims figures referred to by all insurers, particularly Vero, in various submissions are about three years out of date and will invariably relate to first resort policies which were sold before 1 July 2002.

It further indicates that from its research barely a handful of claims had been made. In the last few days the Insurance Council of Australia has responded to questions. In response to questions about the number of claims post 2002, it says the national claim figure in warranty insurance was over 10 000. That is completely ludicrous, and there is plenty of information to indicate that it is ludicrous. There we have one of the senior stakeholders making claims which do not make sense. That goes to the issue of how we are going to resolve builders warranty insurance in this state.

The government can do as much cleaning up of the Housing Guarantee Fund Ltd as it wants, but until it addresses the issues of consumers, who effectively get no protection under the current arrangements, other than for the death, disability or disappearance of a builder, and deals with the problem that builders have, it will not be advancing the cause at all.

Mr JENKINS (Morwell) — It gives me a great deal of pleasure to rise in support of the House Contracts Guarantee (Amendment) Bill, which essentially

protects consumers. It was interesting to hear the previous speaker talk about protecting consumers, because this bill does exactly that by ensuring a stable winding down of the house contracts guarantee scheme and the domestic building (HIH) scheme by transferring all the staff and the registers of the Housing Guarantee Fund Ltd to the Victorian Managed Insurance Authority. This will enable the proper administration of the schemes during the run-down period and avoid staff leaving, together with their essential expertise, which is important for the administration of the scheme.

Through a guarantee system the Housing Guarantee Fund Ltd provided recompense for defective or incomplete building work. It was in place from the early 1980s until 1995, when we saw the introduction of domestic building warranty insurance and the introduction into the scheme by the previous government of the private insurance industry. Previous to that the statutory obligations were undertaken by HGFL. The previous government brought the private insurance into play and gave it the responsibility and the capacity to act in the building industry.

As we have seen, the conditions into which it brought the private industry led in part to the collapse of the scheme in 2002, whereby the rules and regulations put in place by the former government, as slim as they were, allowed a situation that put at risk not only consumers but also the building industry and a large number of small builders for whom we now see the opposition crying crocodile tears. Those crocodile tears are exactly that. When it had an opportunity to have a long, hard think about the repercussions of putting the whole system out to the market and letting the market decide, it probably knew that some day somebody would have to come back and clean up the mess.

That has fallen to this government, and as far as possible, given the scheme that is in place and the introduction of the private industry, we have gone a long way towards making sure that consumers, builders and the building industry can continue to boom as it has under this government. Domestic building in my electorate boomed in this government's first term of office, and it is continuing to do so in this term. The protections, such as they are, will continue to be provided.

The privatised system brought in by the previous government replaced the Housing Guarantee Fund's ongoing role until 2001–02, when with the collapse of HIH the government had to again step in to ensure that some of the liabilities and responsibilities that had been taken up by those private companies were sorted out through the existing HGFL, which would have wound down prior to that. The activities of these schemes will scale down over the next 12 to 18 months. In order to avoid uncertainty for both builders and consumers, the responsibilities will then be transferred to the VMIA, which will give those employees a robust organisation in which they can participate while they continue to sort out the responsibilities of the former organisations, such as they are. It maintains service and expertise, and it maintains capital assets built up over years. The assets will be vested in the state and form the Housing Guarantee Claims Fund.

The state of Victoria will be the successor in law to all of those assets and liabilities. Importantly — I think the member for Lara highlighted the disparity between what this government is doing for employees and their entitlements compared to what the federal government is doing in relation to entitlements — leave and other entitlements enjoyed by the employees of the HGFL will continue on as they are transferred to the VMIA.

This government continues to make sure that we have a strong and viable building industry. It continues to make sure that there are new entrants willing to participate in insuring the building industry. There are currently six separate insurance companies providing insurance under the regulations of this government. The changes that have been made to the scheme post the HIH collapse and to ensure the scheme's viability include the insurance changing to that of last resort rather than first resort, and it is complemented by the building advice and conciliation service. Whilst a builder is still active and capable of undertaking repair works where there may be claims made against them, they can be worked through.

The threshold for building works requiring a builder to carry insurance was previously $5000 but has been increased to $12 000; the insurance of structural defects covers six years and non-structural covers two years. As previously mentioned, buildings of more than three storeys that contain two or more separate dwellings no longer require builders warranty insurance; they are insured under other provisions.

Importantly, we now have a sustainable scheme; we have organisations willing to come in and insure builders. There is absolutely no doubt that the building industry is in a much stronger position and there is a great deal more confidence than that which was felt immediately before and after the collapse of HIH and the scheme that was brought in by the previous government. I commend the bill to the house.

Mr INGRAM (Gippsland East) — It is a pleasure to contribute to debate on the House Contracts Guarantee (Amendment) Bill and particularly to follow the member for Morwell.

Often in this place you see the pea-in-the-thimble trick, where members of the government stand up and say, 'What a great job we are doing with this'. I would describe some of the arguments put forward by members of this place as a fairly cruel hoax on the builders out there who have to deal with the current building warranty insurance disaster that has been created. We can look back at history.

I listened to the member for Morwell say that this government was cleaning up the mess created by the privatisation of builders insurance. Basically that is what we are dealing with in this legislation — that is, we are moving the old Housing Guarantee Fund Ltd into the government insurance fund. But that has not solved the problem; the problem still exists.

Whilst the initial crisis over the availability of insurance may have passed — builders probably can get insurance — what does that insurance actually provide? That is the question that is not but should be dealt with in this legislation. This is a real opportunity lost. We are getting rid of the old Housing Guarantee Fund Ltd, but it could have remained as a shell to create a real warranty insurance — a first point of call address-type fund which we had previously. At the moment we have extremely large premiums and no cover. By law, builders are required to have building warranty insurance, but what is it providing?

I raised this issue on the adjournment debate last week, and I am not going to go into too much detail here because the member for Hawthorn mentioned some of the issues raised by the Builders Collective of Australia. Those issues are still there. A large number of small-to-medium builders are transferring their contracts over to owner-builders contracts, because either the cost of providing insurance is too great or there is no benefit for consumers in the current system. It is too hard; there are few reasons why insurance is paid — only if a builder either dies or goes bankrupt on a job. Whilst that is important, it does not deal with the impact of shoddy workmanship and other such issues. That is why I think this is an opportunity lost, because we need to have consumer protection in the building industry, and I do not think anyone in this place would disagree. It is an important part of what the old Housing Guarantee Fund Ltd was all about.

As I raised last week in the adjournment debate, of an estimated $400 million to $600 million paid in premiums across Australia — excluding Queensland, which has a government-funded system — only six claims have been made. The insurance companies are making a lot of money out of this arrangement. We have removed a good fund that actually worked and has delivered to the private industry, which is just reaping the cash and not providing any consumer protection. That is the problem we have, and that is why I say that this is an opportunity lost. We could have dealt with this at a later date — I do not think it has to be done right now — and we could have created an insurance fund that protects consumers and builders.

A small levy on the 85 000 domestic building contracts each year would have provided enough money to cover not only poor workmanship and then put restrictions on builders who do not perform up to a particular standard, but would have also dealt with the extremely high cost of getting insurance. With those words I indicate that I am not opposing this bill, but I believe it is an opportunity lost. We would have been better off debating the establishment of a real fund to protect consumers from poor workmanship or other issues in the building industry.

Mr SEITZ (Keilor) — This bill transfers responsibility to the Victorian Managed Insurance Authority. It is basically an administrative bill dealing with the mechanism of how to transfer the liability and the funds and how the fund is to be managed in the future. This is important because bringing the fund under the control of the Victorian Managed Insurance Authority will give it some stability in the future.

I heard speakers say that too much money would be used in the administration of the authority in the future and on existing funds, but it needs to have stability after the privatisation experiment of the previous government, when it went into a sink mode. The whole issue concerns not only builders but also home owners. It is the small people who need to have the assurance that they can refer an issue to someone when they have difficulty getting repairs made to shoddy work.

For instance, many people have put their life savings into a retirement village in my area. They are living off the pension. Shoddy work has been done on buildings in that village, and although they are individual owners, they are not covered by the fund, nor by this legislation. Members should see the work that has been done there — the buildings are jerry built, yet the builder continues to build in other places residential homes that do not come up to standard.

I believe two jobs have to be done. An opposition speaker on the bill talked earlier about builders being at

the whim of insurance companies, but I think the insurance companies should have more say in weeding out shoddy builders. People should not have to pay extra insurance premiums when they have good builders as they are being penalised because of the shoddy builders in the industry. The people who buy their dream homes are not being asked for exorbitant prices and do not have unrealistic expectations. They inspect a display home, see the drawings, get a promise from the agents and what they have seen is what they expect to move into. They expect their new house to come up to the standard they have seen and which has been sold to them. They should not be faced with a housing company using subcontractors at the cheapest level, without supervision and who do not properly follow the drawings and required engineering standards. That is where the problems arise.

No doubt this bill will go a long way towards solving the issue. When we introduced the Housing Guarantee Fund Ltd in the first place I heard the same stories, as it was argued that the poor old builders would go broke. Whether a builder is big or small, he will survive in the industry if he does a proper job. They need to be able to perform a decent job and not leave everything to big industry. There are niche markets for small builders, who will survive regardless of what insurance process is in place. I commend the bill to the house.

Ms MUNT (Mordialloc) — I support the House Contracts Guarantee (Amendment) Bill 2005. As previous speakers have said, this bill creates a new fund called the Housing Guarantee Claims Fund which will hold the assets of the Housing Guarantee Fund Ltd. The Victorian Managed Insurance Authority will be the new authority put in place to replace the previous authorities and to administer and assume responsibility for all the claims that have been administered by the previous authorities. It is an administrative bill that puts the new authority into place.

I particularly speak about protection for consumers, because constituents who come into my office need such protection. A young couple that decides to build a house or make major renovations commits to a very big financial undertaking. They often have to pay for it over many years, and it usually is the biggest investment they will make in their whole life.

This bill and this authority will give some protection to those consumers, but they will also give protection and provide certainty to builders. I knew a builder who had a small building business at the time of the HIH collapse. That was a dreadful time for him. He had a family and he went under, so this bill gives some certainty to them while they are carrying out their craft. Apart from the administrative parts of the bill, it is important that we have the insurance in place to cover those consumers. I have had constituents come into my office when it has all gone bad and when the work on their buildings has been shoddy. They have got into terrible trouble, and it can be a real trauma for a family when they are the victims of shoddy building work.

Of course not all builders do shoddy work. There are a lot of really good builders, but people need to be protected from the effects of the shoddy ones. I remember doing renovations to my place. I did not even know there was a seven-year guarantee on the work, but I thought it was wonderful and was happy to have that length of guarantee, which gave me some peace of mind. This bill will continue that peace of mind for consumers, for couples and for others who carry out renovations, so I commend it to the house.

Ms BEATTIE (Yuroke) — I support the House Contracts Guarantee (Amendment) Bill 2005. As honourable members have already said, in March 2001 the HIH group of insurance companies went into liquidation. We know that several people were charged as a result, and some of those people are spending time in prison. Since 1996 two companies in the HIH group had been major insurers of building warranties in Victoria. Their collapse left many builders without insurance cover, meaning they could not commence new building work, and tens of thousands of owners were going without ongoing insurance cover.

Members may recall that in 2002 there was an electoral redivision of boundaries and my seat changed from Tullamarine to Yuroke. I lived quite some distance away from the new seat of Yuroke, so I built a house in the new electorate. I built with a volume builder and it was a very happy experience.

Mr Hulls — When is the house warming?

Ms BEATTIE — Of course the minister is welcome at any time! I now live in that house, but as we were building, I could go to the area and see many houses sitting there unfinished, perhaps the subject of vandalism, because the builders had gone broke. It meant many couples had to abandon their dream or have their dream delayed for some time. The human toll as a result of companies collapsing was there for all to see. Other members have covered the mechanics of the bill very well, and I commend the bill to the house.

Mr HULLS (Attorney-General) — I would like to thank everybody for their contributions to debate on this very important bill, the House Contracts Guarantee (Amendment) Bill.

Mr Baillieu — Are you going to deal with the issues as well?

Mr HULLS — In particular I want to make a couple of comments about the contribution of the member for Bulleen. Acting Speaker, I am sure that you agree that the outrageous accusation made by the honourable member for Bulleen in relation to the potential for some sort of slush fund to be used by Treasury in the lead-up to an election is scurrilous and that the next time you bump into the member for Bulleen you will tell him that.

I thank the members for Lowan, Bentleigh, Mornington, Narre Warren South, Box Hill, Mill Park, Lara, Hawthorn, Morwell, Gippsland East, Keilor, Mordialloc and Yuroke very much for their contributions. As the member for Hawthorn may or may not know, quite specifically the policy basis for this bill is sound and the aim of the bill, if he had read it, is to transfer the responsibilities of the Housing Guarantee Fund under the former house contracts guarantee system and the domestic building HIH indemnity scheme to the Victorian Managed Insurance Authority, which we believe is the most appropriate government entity to take over these very important responsibilities.

Mr Baillieu — How did you get this job? What sort of sandwich was it?

Mr HULLS — That is another story. Can I thank all members for their contributions, and on behalf of the Minister for Consumer Affairs in another place I, too, wish this bill a very speedy passage.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

MELBOURNE COLLEGE OF DIVINITY (AMENDMENT) BILL

Second reading

Debate resumed from 19 May; motion of Ms KOSKY (Minister for Education and Training).

The ACTING SPEAKER (Mr Kotsiras) — Order! The Speaker has examined this bill and is of the opinion that it is a private bill.

Ms KOSKY (Minister for Education and Training) — I move:

> That this bill be treated as a public bill and that fees be dispensed with.

Motion agreed to.

Mr PERTON (Doncaster) — It is with great pleasure that I speak on the Melbourne College of Divinity (Amendment) Bill. The Liberal opposition is in full support of this bill. The Melbourne College of Divinity (MCD) was established in 1910 and affiliated with the University of Melbourne in 1993. Nationally and internationally recognised, the Melbourne College of Divinity delivers high standards in teaching and research in Christian theology and ministry. The college offers students and academics alike the opportunity to broaden their horizons while strengthening their faith and understanding of theology. The college emphasises the development of skills for effective leadership and communication in the church and wider community.

The Melbourne College of Divinity has changed remarkably since its creation almost a century ago. Until 1972 the college was exclusively an examining body. Since then it has been an accredited teaching institution with a diverse environment. The flexible structure of the college has attracted an increasing number of students from across Australia, New Zealand and beyond. Over the last 20 years the college has aimed at diversifying and broadening the framework of its education. The growing number of student enrolments has enabled affiliations with a number of specialist centres. In 1997 the Melbourne College of Divinity established a formal affiliation with the Centre for Ecumenical Studies. A year later the Centre of Religious Education joined with the college in order to develop a network of interchurch agencies and revive the now lapsed diploma of religious education. That year, 1998, was also the year in which the college became affiliated with the Christian Spirituality Centre. The networks created by the centres continue to influence and impact upon the culture and educational opportunities offered by the Melbourne College of Divinity.

In July 2004 the Melbourne College of Divinity was given the opportunity, through discussions with the Victorian Department of Education and Training, to have its act revised, and those discussions included the eight self-regulating higher education providers in Victoria. You will recall, Acting Speaker, that changes were made to the universities in the Higher Education Acts (Amendment) Act which was passed by this

Parliament in April. This bill amends the Melbourne College of Divinity Act 1910 and makes the legislative changes necessary for the college to comply with the national governance protocols for higher education providers. The bill will update the powers of the college and will include the power to acquire property, create and administer trust funds and establish investment common funds. It will establish an academic board and council consisting of the dean, the chairperson of the academic board, representatives of the five member churches and members appointed by the council.

Honourable members will be aware that the changes are consistent with the Higher Education Acts (Amendment) Act 2005 of the federal Parliament and implement the national governance protocols, including: 1, the inclusion of the primary responsibilities of the council; 2, the power of the council to remove a council member by a two-thirds majority; 3, a requirement that members act in good faith, honestly and for a proper purpose and that they exercise appropriate care and diligence; 4, an automatic vacancy on the council if a member becomes disqualified from managing corporations under the Corporations Act; 5, a requirement that the council is to have at least two members with senior financial expertise and at least one member with senior commercial expertise; and 6, a maximum tenure of 12 years for council members unless otherwise agreed by the council.

I have had discussions with the college and briefing officers from the department, to whom I am grateful for their excellent exposition on the legislation. Those who run this college are a terrific bunch of people.

Mr Baillieu — Tell us the secret bits — come on.

Mr PERTON — The member for Hawthorn may do that in his contribution later in the debate on the bill. This is a community that truly practises what it sets out to preach. Dr Paul Beirne, the dean of the college, recently wrote to me expressing his views on this bill. I quote from his letter:

> Revision of the MCD act (1910) arose as part of the revision of all nine higher education providers constituted by the Parliament of Victoria in order to bring them all into line with the national governance protocols in the Higher Education Support Act (2003) of the commonwealth Parliament (as the explanatory memorandum indicates). Revision of the acts of the eight public universities was able to be undertaken in a single bill, as I understand it, but the MCD act had sufficient differences to require a separate bill.

In fact it was a private bill, but through the action of both the opposition and government it now has the status of a public bill. I further quote from the letter:

> The college has had excellent support from officers of the Victorian department of education, and has been consulted at each stage of the process. This involved three phases of planning (August–November 2004), including consultation with the heads of churches who appoint members to the college and in future the council; three stages of forming drafting instructions (December 2004–February 2005); and consideration of three drafts of the MCD amendment bill, in response to questions from parliamentary counsel (March–April 2005).
>
> The department indicated to the college that as well as ensuring that the MCD act would be in accord with the protocols, the opportunity could be taken to bring the MCD act up to date in other respects. The college, working through a drafting committee consisting of the dean and registrar of the college and two persons with expertise and experience in legislation concerning academic bodies, took up this opportunity. I believe that the outcome will be a college whose structures of both regulatory and academic governance will be more flexible and effective and in line as appropriate with those of public universities, as well as being in accord with legislative requirements.
>
> As it happens, the MCD is currently preparing for an audit by the Australian Universities Quality Agency (AUQA), which will take place in September this year. Our performance portfolio will be submitted in early June. The intersection of both Victorian and commonwealth accountabilities is proving to be a testing exercise but one which will bear much fruit.
>
> In sum, the MCD looks forward to the Parliament of Victoria passing the MCD amendment bill 2005 without amendment.

I point out to Dr Stokes and other departmental officials that the feedback from the college was along the lines of how much it appreciated the courtesy and consultation offered by the department in this respect.

The amendments establish an academic board that will enable the effective operation of academic and business arrangements. It will provide a formal recognition of the Anglican, Uniting and Catholic teaching institutions and will provide a more effective and consistent approach towards improving the college's operation and management.

After writing to various members of the community who might have an interest in the issue I received a number of comments in reply, and I will share a couple with the Parliament. The Anglican Archbishop of Melbourne, Peter Watson, wrote:

> The Melbourne College of Divinity awards degrees in divinity to students from a range of individual theological colleges teaching both private students and ordination candidates. The Trinity College Theological School is the relevant college associated with the Anglican Church for the province of Victoria, and I have appointed the director to the school, the Rev. Dr Andrew McGowan, and the deputy chairman of the board of management of the school, Dr Graeme Blackman, as Anglican representatives on the council of the college to be established pursuant to the provisions of the amended act. Dr Blackman and Dr McGowan have been closely involved in the consideration of the new provisions of the act, and I totally support the new

> direction the college is taking in its continuing ecumenical approach to theological education.
>
> I am hopeful that this bill will receive complete bipartisan support in the Parliament.

I also received a letter from the Catholic Archbishop of Melbourne, Denis Hart. I quote from his letter:

> Members of the college's policy and strategy committee worked closely with Dr Terry Stokes, general manager, higher education and regulation, Department of Education and Training, and his staff during the composition of the bill. From the outset Dr Stokes and his staff made themselves available to answer questions and to provide advice in all matters related to the bill. I cannot praise their efforts to consult and advise us highly enough.

Again this repeats the message I have received throughout my inquiry. To quote again from the archbishop:

> The college is very happy with the bill as it has been presented to Parliament. The bill enables the MCD to accord with the national governance protocols and at the same time includes all the prescriptions which the college wished to include. We consider it to be a carefully worded, visionary document.
>
> We view the Melbourne College of Divinity (Amendment) Bill 2005 as a document which will guide the MCD into its second century and beyond.

The Melbourne College of Divinity has continued to grow and flourish. Considering recent events throughout the world, it is essential that we as a society encourage the college to maintain an ever-increasing, upward trajectory in its communication of spirituality and benevolence. In my humble submission the college promotes a climate of respect, openness, enthusiasm, flexibility and innovation. The teachers and students at the college possess values that are deeply embedded in Christian faith and spiritual development. Through this value system students can then develop the skills and discipline necessary for leadership and communication in the church and the wider community. In fact I understand the member for Burwood has graduated from a course at that college.

Mr Stensholt — With honours.

Mr PERTON — With honours! This Parliament is also the beneficiary of that. The former Liberal member for Bayswater amongst others also benefited from courses at the college.

The Melbourne College of Divinity exists in a world completely different from the one at the time of its foundation in 1910 by an act of the Parliament of Victoria. Its context today is considerably different from the world of 1971, when the associated teaching institutions came into existence largely to further the preparation of people for professional Christian ministries. In an increasingly secular society the ecumenical education opportunities offered by the Melbourne College of Divinity in the areas of Christian theology and ministry have become increasingly relevant.

In training people from all walks of life to address issues from a sound and reasoned theological viewpoint, the college offers the society in which it exists an opportunity for dialogue with traditions and values that are being defined over centuries rather than years or decades. In almost a century of existence the Melbourne College of Divinity has faced many challenges. The college has not only survived but has developed and thrived, and it continues to do so.

I would now like to speak about some of the major responsibilities of the college. Its primary responsibility is to strive to respect, encourage, challenge and inform those students who have come to study, learn and be informed.

An interesting point that was made to me is that because the Melbourne College of Divinity was founded by an act of the Parliament of Victoria, it is subject to corporate law and is required to report annually to the Parliament of Victoria through the Minister for Education and Training. On making enquires of the papers office, I found that the staff believe they have never received a copy of the annual report. I have raised this with the public servants. They may want to check on the actual compliance of the department in transmitting the reports of the college through to this Parliament. Perhaps the papers office, the clerks and the bureaucrats will ensure there is compliance with what the college staff believes to be the college's responsibility to report to Parliament. As I said, from staff in the papers office I am given to understand that that might not be the case at the moment, not through any fault of the college.

The college also responds to the needs of the churches from which it receives considerable financial support through its associated teaching institutions and through the appointment and support of academic personnel. The continued existence of the college depends on the voluntary contribution of time which those personnel make to staff its regulatory boards and committees. The college also depends on the voluntary time and expertise of external academics, financial advisors and administrators to carry out its mission in the complex and increasingly competitive sector in which it exists.

Recently the Melbourne College of Divinity has begun to receive commonwealth funding for research. Whilst this has assisted the college's financial situation and its associated teaching institutions and libraries, it has placed the college in a position not afforded other theological providers. It has increased the range and complexity of its administration, as the college is now accountable to the commonwealth government as to how this funding is allocated.

From January 2005 all students of the college are eligible for a FEE-HELP loan from the commonwealth government to finance their studies. As a consequence the college has to accord with a number of protocols to ensure its continued recognition as a higher education provider. These include tuition assurance for all students, publication of fee schedules, informed grievance and privacy procedures, the fulfilling of auditing requirements and demonstrated assurance of the college's continued financial viability.

Given this range of new responsibilities, the college is responding creatively to the challenges and opportunities which face it as it approaches its centenary year. In close conjunction the faculty members of the college's associated teaching institutions continue to play a fundamental role in enabling the college to realise and implement its vision through their hard work.

Oftentimes the college community does not receive the thanks it deserves. I think the debate today, the work of the public servants in helping to prepare the bill and the agreement by all sides of the house that this should be a public bill may go some way towards providing an acknowledgment of the fine work of this institution. I hope my friend the member for Burwood will be able to speak from the perspective of someone who has benefited directly from its teaching. Nationally recognised for its achievements and teaching in theology, the college will be enabled by this bill to continue to grow and develop its vision in ecumenical and theological education. We all wish it well in this sense.

As I said earlier, it is interesting that this legislation arises at this time. Obviously events in London and elsewhere have highlighted the role of religion and the clash of some religious values with values of modern society. This operates in the context of the question of the state government's continued commitment to religious education in state schools. I know this has been a concern to many members of Parliament as well as to many members of the public, and one only has to look at today's orders of the day to see the number of petitions relating to this that have been filed in this Parliament. By way of example, the member for Mildura — who is very familiar to you, Acting Speaker — tabled a petition on 11 August:

> Requesting that the house take action to ensure that there is no change to legislation and the Victorian government schools reference guide which would diminish the status of religious instruction in Victorian government schools and, in addition, urges the government to provide additional funding for chaplaincy services in these schools.

Another petition presented on the same day by the member for Polwarth requests:

> … that the house take action to ensure that there is no change to legislation which would diminish the status of religious instruction in Victorian government schools and, in addition, urges the government to provide additional funding for chaplaincy services in these schools.

There is also another petition tabled by me and others. This is one of those rare areas which has received great public attention, as you, Acting Speaker, would be well aware. I have received some correspondence on the issue from Lieutenant-Colonel Lucille L. Turfrey, who wishes to commend the:

> … current procedures as those people associated with such an important aspect of a child's education have served this state remarkably well! And, they continue to do so. I therefore draw to your attention the following: the provision for religious education and, specifically, Christian religious education, as provided by the council for education in schools, using the agreed syllabus, as authorised under the act, should be retained.
>
> There are some remarkably good reasons for this:
>
> > Children should not be deprived of information that will enable … in later life … a viable faith in God and human spirituality.
> >
> > Whilst literacy and numeracy skills are vital ingredients of a child's education in preparing them for their present and future wellbeing, the possibility of a lack of input on related issues to religious education — such as knowledge of right and wrong, moral integrity and ethical principles — will be of even greater consequence by failing to equip adequately the young to adopt behavioural standards commensurate with society norms.
> >
> > Responsibility for all of those aspects integral to a child's development are not the sole domain of the parents, for it is society at large that demands acceptable standards of behaviour. A curriculum that gives no cognisance to this is grossly inadequate.
> >
> > Schooling is geared to prepare children for life. Religious education holds a body of truth that, if deleted from a child's range of understanding, will diminish one's capacity to reason intelligently on matters pertaining to a very significant area of study.

> Input, discussion on subjects suited to the development of a virtuous lifestyle cannot but be beneficial to a well-rounded education.

Other correspondence I have received on the issue includes a letter from Neville Carr, chief executive of the Council for Christian Education in Schools. He writes:

> The new education act could determine the nature of educational provision in Victorian schools for another 50 to 60 years, so we should pray that God's good and sovereign purposes will be reflected in new legislation so that our state will be blessed by God.
>
> We encourage you to be vigilant, active and prayerful. The education minister, Ms Lynne Kosky, was reported recently as saying that all submissions would be considered, but it was her intention that new legislation would reflect and support the current practice of religious education. In other words, your good work is already bearing fruit. But we still need to pray and contact politicians so that school councils will not gain the right of veto over CRE under new legislation.
>
> Our collective prayer is that through this current process, Victorian churches will become more aware of the opportunity students have to learn about the Christian faith through CRE and chaplaincy. The current legislation allows CRE in every state school — not just primary schools.

I recently received an annual report from a school in the eastern suburbs, in which the discussion on whether it should engage a chaplain from the local Anglican Church was well contested amongst parents. But after one year of operation of that chaplaincy everyone in that school community was convinced of the worth of a chaplain and what they bring to a school.

It is not just the view of the Liberal Party nor the Christian community that this is the case. The Age editorial recently wrote:

> The Education Act does not outlaw religious education. It does impose conditions that ensure such instruction is separate from the general curriculum and is taught (for no more than 30 minutes a week) by accredited representatives of religious bodies, not by a school's staff. Parents who do not wish their children to attend religious instruction may have them exempted. The system works well.

That editorial was followed the next day in commentary by the Reverend John Clarke of Grovedale. I quote:

> The *Age* editorial was right to applaud the system of religious education in our state schools. In my first two religious education lessons this term, children asked about the London bombings. Questions of our free will, ethical and moral behaviour, death and God's providence are posed regularly by grades 5 and 6 children during our 30 minutes together each week.
>
> Teachers accredited by the Council for Christian Education in Schools are trained to offer students faithful ways of understanding themselves and the challenges our society faces — enabling them to find life-giving answers for themselves. Such questions will always be asked by children. Keeping the current system will help our children find positive answers.

Obviously the review of legislation and the legislative place of religious education in schools is one thing. I think a matter of great concern is the financial commitment of the state government to religious education in state schools. Recently the *Age* newspaper reported on the Council for Christian Education in Schools:

> An organisation that provides chaplains in state schools has called for state government help, with its $4 million spiritual program likely to run at a loss of more than $800 000 this year.
>
> The not-for-profit Council for Christian Education in Schools trains chaplains to provide pastoral care and counselling to students, staff and parents.
>
> The program reaches more than 55 000 students at 75 schools, but the council says it is under growing financial strain.
>
> The cost of placing a full-time chaplain in a school is about $69 000, with the council shouldering a $12 000 loss on each placement and making up the shortfall with cuts to chaplaincy training and its religious education program.

The Minister for Education Services is in the house, and I would like to ask her to look favourably upon increasing the state government's funding to chaplaincy services.

We know we have problems in the education system, many of them beyond the control of Parliament, many of them beyond the control of government or indeed the schools. But the escalating level of violent assaults in state schools has caused concern not just to parents and students but to teachers and principals. Statistics now indicate an almost fivefold increase in the level of sexual assaults in state schools in this decade. These are matters of grave concern. Many of these children are extremely troubled.

The member for Bentleigh will remember that several weeks ago I raised in this house a number of school incidents including a young boy at a school on the peninsula who attempted suicide after being bullied by a gang of boys who had taken over the schoolyard, an 11-year-old boy who held three teachers at bay with a knife in a staff room in a bayside suburb, and a six-year-old boy expelled from a school in the Melton area. These are things that may have happened in the past but now are happening with ever greater frequency.

I can bring to mind a local issue raised with me yesterday about a home run by one of our leading

church's charitable orders for troubled children in state care. I had received complaints from the neighbours about children out of control. The head of this organisation rang me this morning to say that the neighbours had been terrific over all the years that the institution had had this house for children in care, but that the group of children who are currently in care are the most troublesome in the history of the organisation.

We have placed so many restrictions around the care of these children. Smacking or spanking is definitely out. Even physical restraint is in some cases used by the children to make allegations of abuse. Our occupational health and safety laws mean that these children cannot even be locked away for a cooling-off period, and they are running rampant through that neighbourhood. This is happening in institutions, in schools and in other parts of society. There are questions about values, and there are questions about the matters that deeply trouble these children. These children are often the victims of abuse themselves.

In that environment — and I think the members for Burwood and Oakleigh would agree with me — chaplaincy services are a terrific benefit for all children, not just for children in independent and Catholic schools but for children in state schools as well. At this stage funding for that is hopelessly inadequate. Schools have to make decisions to divert resources from other areas. I put it to this Parliament and to the Minister for Education Services that the time has come to increase the financial contribution from the state to make sure that chaplaincy services are available to all children in the state system who need them.

This bill is at the high point of religious education. It acknowledges the Melbourne College of Divinity for its great contribution to the theological knowledge of our community and for its training of those who would be in ministry and other leadership positions in the state as well as those who have a deep love of theology and religious questions. These questions run all the way through society. Whether it is the early moulding of children or their progression up through preschool and kindergarten and on to school life, religious education has a very important role to play. Clearly the state cannot stand in the place of parents, who must have the primary role in determining what religious education their children have, but I think it is the duty of the state to make sure it is available.

The current structure of the legislation, which provides for 30 minutes of religious education in each school with parents having the right to opt out, is probably the right balance. But we need to tip the balance a little bit more by making sure that people with the right sort of training and the right sorts of views and beliefs are available to teach in schools and to ensure that those children who need counselling and spirituality through chaplaincy services have access to them. I support the bill and commend it to the house.

Mr MAUGHAN (Rodney) — It is a pleasure to follow the member for Doncaster and support the comments that he made. Towards the end of my contribution I will make some comments on chaplaincy, but I support the comments he made with regard to the bill. I indicate that The Nationals will be supporting the legislation before the house, and I further indicate that it is most important that we as a community have a moral and ethical framework for all the things that we do, whether they are in our private lives or in our public lives, including in government. In that sense the Melbourne College of Divinity has for almost 100 years played a very significant role in the social, moral, ethical and spiritual life of the Victorian community. It certainly should be commended for what it has done over almost 100 years and encouraged to continue with that work, perhaps in an expanded role into the future.

The Melbourne College of Divinity, which was constituted by an act of Parliament in 1910, comprises the various churches that are mentioned in the agreement — the Anglican Church, the Baptist Church, the Presbyterian Church, the Church of Christ, the Roman Catholic Church and the Uniting Church. They are affiliated with the University of Melbourne, as listed in schedule 1 of the Higher Education Institutions Act, by the commonwealth Department of Education. Basically all the mainstream Christian churches are involved in the Melbourne College of Divinity.

Essentially the bill before the house amends the 1910 act to make further provision for the college's governance and its operations. As the member for Doncaster pointed out, and as was pointed out by the minister in her second-reading speech, these changes are necessary to comply with the new national governance provisions for higher education providers and to allow the college generally to improve the efficiency and effectiveness of its operation. I was very interested to read the vision of the college, as quoted in the second-reading speech. I agree with the comment made by the minister in the second-reading speech that it is most impressive. It states that the college seeks to promote:

> critical inquiry and open dialogue in the exploration of truth;
>
> active engagement with local, national and global social contexts;

> recognition and respect for the traditions of the member churches in an atmosphere of mutuality and ecumenical of operation —

and boy, don't we need that in the world today! —

> interdependence in the development of all learning activities —

I think the interdependence of all learning activities and building on the moral and ethical framework that I spoke about earlier are most important —

> honest professional relationships between students and staff;
>
> freedom from all forms of discrimination;
>
> a climate of respect and openness; and
>
> enthusiasm, flexibility and innovation.

I think it is a wonderful vision that we can all applaud, and we can aspire to having similar objectives in whatever we do in our particular activities. I share the minister's view that they are an excellent set of principles.

Members will be aware of the long-overdue funding arrangements initiated by the commonwealth, and essentially they have driven the legislation that is before the house tonight. A component of the funding coming from the commonwealth is now dependent on the adoption of national governance protocols. This is consistent with what applies to universities throughout the state. The Higher Education Acts (Amendment) Bill, which was passed by this Parliament during the last session, enables public universities to implement these protocols. I think it is appropriate that the Melbourne College of Divinity is able to share in the funding that is provided by the commonwealth for research and a whole range of other activities.

There are 11 national governance provisions set down by the commonwealth that are applicable, in this case, to the Melbourne College of Divinity, which under the commonwealth's classification is a table B provider. I will not go through all of the detail, but in summary those governance protocols are: objectives have to be specified in the document that establishes the provider as a legal entity; they must adopt a statement of the primary responsibilities of that particular institution; they must set out the duties of the members of the governing body; and they must make available a program of induction and professional development for its members — and I think that last protocol is most important.

There should be a proper induction program for people who are going onto governing bodies. It should include the ongoing professional development of members of a council or members of a board. The size of the governing body must not exceed 22 members and must include people with certain expertise. That again is commonsense stuff. I would argue that even 22 members is right at the maximum of the workable governance of a council or board. It seems to me that you get the best results out of a governing body that is limited to about a dozen people, but in the extreme you could have up to 22. I hope it does not get to that, because I think you get much discussion with a smaller group. The bill provides that the maximum will be 22.

The national protocols provide also that the college must adopt systematic procedures for the nomination of prospective non-elected members. It is fair enough to have some systematic approach for nomination of those members. The protocols provide also that the college must codify and publish its internal treatment procedures and that the annual report must be used for reporting on high-level outcomes and must include a report on risk management. The governing body is required to oversee controlled entities. Finally, the higher education provider and its associated entities must be audited by an external auditor.

All those requirements must be met for the college to qualify for federal government funding. All the requirements I have indicated make good sense. They are logical and — to use a phrase that is often used by members of The Nationals on a range of such matters — it is commonsense. For that reason, The Nationals will certainly be supporting the legislation.

Passage of the legislation will therefore enable the Melbourne College of Divinity to share in research funding that is provided by the commonwealth government. It needs to be pointed out that research has always been part of the activities of the college. I note that in 2004 the number of students who completed higher degrees by research were some 24, with 8 completing a doctorate and 16 gaining a masters degree, and they did so through three different categories of fields of endeavour.

I note that soon the college will achieve its centenary. I acknowledge the enormous contribution that the college has made to the cultural, ethical, spiritual and social life of Victoria in the past almost 100 years. The changes that will be implemented with the passage of the bill will equip the Melbourne College of Divinity to continue to serve the community with distinction for the next 100 years. I note that the college has requested this legislation and that it be supported by all political parties.

Before concluding, I pick up on a few of the comments made by the member for Doncaster in regard to Christian education in schools. I note that I, too, have received more mail and petitions on this particular issue than I have on any other issue for many, many years. I have been inundated with letters and petitions, as have other members of the house. It is very important that the government note the widespread community support for continuing with Christian education in schools as it is currently provided, with no change to the legislation governing religious education in schools.

The second point relates to chaplains in schools. The member for Doncaster spoke about the value of chaplains and I strongly support that. In the Rodney electorate we have chaplains in Echuca High School, Echuca Secondary College, Cohuna Secondary College and Kyabram Secondary College. I have been actively involved with all those chaplains. In the past two weeks I attended a fundraising dinner for a chaplaincy in Cohuna. The members of that relatively small community do a great job in raising the funds necessary to have a chaplain present in Cohuna Secondary College one day each week. The schools in Echuca, being in larger communities, do better than that. As I said, there is a full-time chaplain in both Echuca High School and Echuca Secondary College and likewise at Kyabram Secondary College.

All those chaplains do fantastic work in the community in helping those students simply by being someone to talk to. Students who have enormous personal problems or come from dysfunctional families need that support and guidance. Irrespective of the religious education that may be given by those chaplains — it is not part of the deal that people accept their religious philosophy — they provide sound guidance for students who otherwise would be floundering. From a community perspective, government money is very, very well spent to support chaplains in schools and reduce some of the social problems that are being dealt with right throughout the state at the moment. They provide a receptive ear.

In areas such as, for example, Kyabram, where people have been suffering very badly from the drought and many families have been at their wits end, with a lot of tension among families and children coming to school bearing all sorts of burdens and problems, the chaplain is able to alleviate some of those problems and allow those kids to get on with what they are there for, which is their education. The chaplains also deal with some of their physical problems by providing some of those basics of life, such as meals and shoes. It seems strange that in a relatively affluent community such as ours we need to have volunteer groups whose members provide children with meals when they come to school in the morning and with shoes, books and payment of their excursions and such things. That is what the chaplains are good at and what they do. I strongly support the role of chaplains in schools.

To sum up, on behalf of The Nationals I congratulate the Melbourne College of Divinity on the contribution it has made to the moral, ethical and social life of the community. It provides a framework for ethical judgments which are essential in a civilised society. I congratulate the college on its contribution in the almost 100 years it has been in existence, and indicate that The Nationals are pleased to support the bill and wish the college another successful 100 years in the time ahead and wish the bill a speedy passage.

Ms BARKER (Oakleigh) — I am very pleased to rise today in support of the Melbourne College of Divinity (Amendment) Bill 2005. The bill amends the Melbourne College of Divinity Act 1910 to update the college's governance arrangements and to make the legislative changes necessary for the college to comply with the national governance protocols for higher education providers.

The Melbourne College of Divinity has a very interesting history, and I have been pleased to learn a lot more about it. It was constituted by the 1910 act of the Victorian Parliament, which has been amended in 1956, 1972, 1979 and 1990, so it has had a large number of amendments. In autumn 2005 the governing body of the college consisted of 27 representatives from all the Christian churches — Anglican, Baptist, Churches of Christ, Presbyterian, Roman Catholic and Uniting — and two student and four co-opted members, one being the dean. In reading the history of the college, I found it interesting that it emerged in response to a need for an institution to provide academic training for Protestant clergy in Australia and that its founding was facilitated by the support of leaders of all the churches in Victoria, including the Roman Catholic Archbishop, and also that it resulted from a clause in the constitution of the University of Melbourne which excluded the teaching of divinity. So this very interesting college had a very interesting start.

As I indicated, over time several amendments have been made to the act. For example, in 1972 the first Australian undergraduate theological degree was provided. It was taught by people in associated teaching institutions, comprising the Anglican, Baptist, Churches of Christ, Roman Catholic and Uniting Church colleges in various partnerships. Newly instituted boards of study processed the cross-moderation of units, faculties and assessment. That therefore broadened the role of

the college into the accreditation and moderation of teaching institutions. The doctor of theology and master of ministry degrees came into place following the 1990 revision of the act. The revision at that time also empowered the college to offer other postgraduate awards. In 1999 the graduate diploma in theology and master of arts awards, articulating to a doctor of philosophy degree, were introduced. There have been a large number of changes over the years.

As indicated in the second-reading speech, research has been a part of the college's life since the beginning, but in 2001 with the coming of commonwealth research training funds and participation in the postgraduate educational loan schemes and now FEE-HELP schemes, the college has been brought into the wider tertiary education sector. Therefore it has become accountable to the commonwealth for the funds and loans provided and, as a higher education provider, must accord with the government's national governance protocols. The college has met these requirements through its central administration and tightening its quality assurance procedures generally. There has been restructuring as the college plans for the future. It has had a very long and distinguished past that will continue into the future, I am sure.

The opportunity to have its act revised and to reshape the college as it moves forward is welcomed by the college. Under the bill the college will be defined as a much broader entity than under the current act and will consist of the council, fellows of the colleges, board and committee members, academic and general staff, students and scholars of the college. The affairs of the college will be managed by a newly established council consisting of the dean, the chairperson of the academic board, representatives of five member churches and members appointed by the council. The bill allows for other churches to become members of the council, with the appropriate agreement.

The powers of the college will be updated and will include power to acquire property, to create and administer trust funds and to establish investment common funds. An academic board with specified purposes and powers will be established. The council, on the advice of the academic board, may recognise an institution or group of institutions to teach and examine students in academic programs and courses of study that will lead to an award of the college, and the council may confer any degree, diploma, certificate or other award in divinity or associated disciplines.

The bill amends the college's enabling act and outlines the requirements with regard to the council, including sanctions for council members who breach their duties and responsibilities; power for the council to remove a council member by a two-thirds majority; a requirement that members act in good faith, honestly and for a proper purpose; and a requirement that they exercise appropriate care and diligence. Other requirements are also detailed in the bill.

As I said, I found very interesting the discussions that took place during the development of this bill and prior to its passage. It is a very interesting college. I know that my colleague the member for Burwood has had a more personal and longer association with the Melbourne College of Divinity, but I have been very pleased to be able to learn more about the college. As the member for Rodney said, it certainly has a vision and mission which is very impressive.

The bill has the full support of the college, which has not only participated fully in the preparation of the bill but has also provided interesting and concise information on the history and development of the college. As indicated in the second-reading speech, the Melbourne College of Divinity is today a complex structure. Like a university it has a central administration and academic boards responsible for the maintenance of educational standards across the institution. The teaching colleges, like the faculties of a university, engage in teaching and learning activities with students, yet the college is unlike most universities in that these colleges are autonomous, employing teaching staff and providing teaching and library facilities. The college thus functions as a network of diverse communities working cooperatively. This network embraces the Kew office, the teaching colleges which make up the Australian tertiary institutions, boards and committees which oversee college academic programs, the graduates and fellows and, above all, all those who teach and learn — the faculty and students — who constitute the college as a varied community of scholarship.

As I indicated, this has been a very interesting opportunity to learn more about the Melbourne College of Divinity. I thank its representatives for their work in assisting the department in the preparation of this bill. I am sure that as the college moves towards its centenary and as it moves into the future it will further develop and embrace its values and its current mission statement. As indicated by the member for Rodney, its very impressive vision is well detailed in the second-reading speech. We all seek to promote the same values that it expresses. The bill has the full support of the Melbourne College of Divinity and the full support of this chamber, and I wish it a speedy passage.

Mr HONEYWOOD (Warrandyte) — I rise to join the debate on the Melbourne College of Divinity (Amendment) Bill 2005. In doing so I have to look back on the changes that were made to the governance of higher education institutions in this state when I was a minister for higher education and training. At that time the University of Melbourne and La Trobe University had governing councils of 47 and 46 members. In addition they had convocation, and it was almost a labyrinth in terms of the governance proposals. I well recall that the vice-chancellors of our higher education institutions were quite keen to streamline the governance arrangements and the governing councils of our institutions. I note the evolution that has occurred since then in terms of the Melbourne College of Divinity being part of the requirements that the commonwealth government has put in place under national governance protocols.

Having said that, I always worry about the one-model-fits-all approach because when I was a minister we had the unique situation in Victoria of multisector institutions which included both TAFE and universities in the one institution and therefore, even when we streamlined the governance approach to those institutions, we ensured that there was recognition for the unique structure of at least four of our universities which had TAFE divisions within their multisector institution structure. On that basis we should pay tribute to the college of divinity for the way it has evolved over the past almost 100 years, and the absolute commitment to an ecumenical approach to the way it goes about both awarding its courses, and separately, teaching them through the four separate associated teaching institutions, which I will come to in a moment.

This ecumenical approach has been a real example for the various churches working together. I recall the condolence debate in this house in April for the late Reverend Dr John Davis McCaughey. In the contributions to his life, a point was made that he was a strong advocate of ecumenical cooperation. One good example of this was when the Jesuits moved their theological college from Pymble in New South Wales to Melbourne. Apparently Dr McCaughey offered the Jesuits accommodation and the use of the library and lecture facilities at Ormond College. This gesture was much appreciated and it ultimately assisted in the development of the united faculty of theology. So we can go back through the years to see that approach of cooperation and collaboration despite different philosophical underpinnings and different approaches to scholastic endeavour when it comes to the study in different theological settings.

That condolence debate also involved my noting that the late Davis McCaughey was one of a number of scholars associated with the college, in this case the college of divinity, who linked the concept of fresh words and deeds to the inheritance of literary, historical and scientific inquiry and of the faithful and scholarly interpretation of scripture which are the hallmarks of any informed faith. Whether it was Davis McCaughey or any number of other eminent scholars over the years, that concern to establish fresh words and deeds, to ensure that there is a constant evolution in the research and in the academic inquiry into scholastic interpretation, is a hallmark of a very sound and healthy college of divinity. Some of these scholars anticipated a movement for change in theological studies and showed — what some would say — their impatience with the clinical approach to studying the Bible. Certainly over the years many scholars at the college of divinity have relished the importance of critical scholarship. When I say critical scholarship I mean it in the best academic terms, which has been assisted by the collaborative approach between the various churches.

The Melbourne College of Divinity was constituted by the Melbourne College of Divinity Act 1910 and currently includes representatives of the Churches of Christ and Anglican, Baptist, Presbyterian, Roman Catholic and Uniting churches. The interesting thing is that while the college consists of the board, made up of representatives from different denominations — which will be retained under this legislation and has the power to award degrees and diplomas — it does not undertake the teaching, which is done by at least four associated teaching institutions, each of which is a consortium of bodies.

One such that I am well aware of is the united faculty of theology which involves the Uniting Church and the Trinity College of Theology as well as the Jesuits' theology college. They share the teaching that accredits a Batchelor of Theology degree, and is one ATI that you could chose to be taught by. I am not just talking about individuals who hope to go on to become priests and to have this as a career. Nowadays the colleges see many mature-age students who may have taken early retirement or may just want to get some exposure to academic research in the area of theology. So we are not just talking about degree-bearing courses; there are also diplomas and any number of short courses that can be studied by any number of people rather than just those who seek to make preaching a vocation as such.

The united faculty of theology is attractive to those where a particular course approximates the individual Christian's perspective and as we speak it is building a brand new centre at Ormond College. It will be a

splendid addition to the teaching there. For many years Ormond College has had a wonderful theological library which is supported by denominations other than the Uniting Church, so again the collaborative approach applies not just to the accreditation of courses through the college of divinity itself, but also applies to the teaching and even to the sharing of resources such as the library and library materials. That is to be commended. It is a great example to others in the community of what people who come from different perspectives can do when it comes to sharing resources and acknowledging the importance of recognising diversity but at the same time finding unity from within that diversity.

Genuine research effort should also be a key performance indicator of any higher education provider, and that is not an issue for the college of divinity. I understand that 8 doctorate students and 16 research masters in various categories were studying through the college last year, so that institution has a genuine research effort which is to be commended. The second-reading speech details that the college functions as a network of diverse communities working cooperatively and that is probably the best way to explain the whole arrangement.

In the brief time available I would like to reiterate the comments made by the member for Doncaster and others who said that there is support for the college of divinity across party lines. However, it is a shame that the government of the day is doing its best to dilute the teaching of religion in our school system. We need to ensure that the diversity, which we hold dear when it comes to advancing our community life in this state, is supported when it comes to ensuring that young people are able to access religious teaching. We do not want this socialist mantra of denying our young people the opportunity to learn various religious teachings from within a school setting before they go on to higher education.

Mr STENSHOLT (Burwood) — It is with great delight that I contribute to debate in support of the Melbourne College of Divinity (Amendment) Bill. I am a graduate of the college — my alma mater of many years ago — where I studied for a Bachelor of Divinity. I was one of the first Catholic students to undertake the Bachelor of Divinity course, which before that had been very much the preserve of the Protestant ministry. I also undertook an honours in Islamic studies; I was probably one of the first to do that course. I must admit that that has stood me in good stead over the years, as it does even today, with a multicultural Victoria and Australia and the need for moderation and understanding between faiths being much more important than before, given the world situation.

I would like to recognise in the gallery the registrar of the Melbourne College of Divinity, the Reverend Dr Charles Sherlock — —

The ACTING SPEAKER (Mr Savage) — Order! The member for Burwood is not permitted to reflect on who is in the gallery.

Mr STENSHOLT — I would like to honour the registrar of the Melbourne College of Divinity. He follows in the footsteps of the Reverend Bird, who was the registrar of the college of divinity and served with great distinction for many years.

Some weeks ago, on one of the college's planning days, I had the good fortune of talking about the bill with members of the college. I met with the dean, Dr Paul Beirne, and Bishop Mark Coleridge, who, I discovered, shares an interest in Islamic studies as well. I was able to assure them of the government's full support for the bill. I am glad to hear that the opposition, The Nationals and, I am sure, the Independents as well support the bill. It amends the Melbourne College of Divinity Act to make further provision for the college's governance and operations to bring it in line with new national governance protocols.

I am very proud that I have had in my formation the opportunity to study at the Melbourne College of Divinity. Indeed, speaking here today, something which I did not expect many years ago when I studied divinity, gives me an opportunity to reflect on the contribution this training has made to my life. Like the member for Rodney, I am also drawn to look at what this means in terms of the vision and mission of the college; I was quite struck by them. One is a critical inquiry and open dialogue in the exploration of truth. I will mention some of the others in a minute, but I notice under 'Objects of College' the bill talks about the opportunity to anchor faith in understanding.

As the house heard when it was debating the condolence motion for former Governor Dr Davis McCaughey a few months ago, one of the things that he as one of the teachers at the Melbourne College of Divinity instilled was a faith-seeking understanding, which is as important today as it was then. This can be seen in *Fides Quaerens Intellectum*, which goes back to the English theologian, Anselm.

Other visions and missions of the college include: active engagement with local, national and global social contexts; recognition and respect for the traditions of

the member churches in an atmosphere of mutuality and ecumenical cooperation; interdependence in the development of all learning activities; honest professional relationships; freedom from all forms of discrimination; a climate of respect and openness; and enthusiasm, flexibility and innovation. All these qualities are as true in their vision and mission today as they were when I was a student.

What I received from the college was a wide sense of values, of understanding as well as compassion, empathy and an ability to listen. I find those qualities handy as I listen to many of the constituents who come to talk to me and as I talk to people over the phone and try to deal with a range of difficulties that local organisations might have, as well as when we grapple with affairs of state. These qualities have stood me in good stead. I am sure it stands many people in good stead in terms of the training that they may have had.

During the weekend, while reading the *Australian Financial Review,* I was struck by an article written by Brian Toohey, headed 'Churches confront PM's values'. It reminded me that the sort of things I learned in my studies, including at the Melbourne College of Divinity, were marvellous writings on industrial relations. Pope Leo XIII's *Rerum Novarum* — and I urge all members to read it — came out well over a hundred years ago, but it stands the test of time. Pius XI issued *Quadrogesimo Anno*. In *Rerum Novarum* Leo XIII said that there is a natural propensity for people to move to civil union and association — meaning, unions. That was followed up by John XXIII's *Pacem in Terris* and more recently John Paul II's encyclicals.

What they talked about were some of the things that I learnt: they were against injustice; there was support for the poor, support for the dignity of the person; they were against dehumanisation; and they were for the social contract, for unions, for moderation and for social justice. I must admit, having had that sort of background and training, when it came time to look at politics, there was no party I could join other than the Labor Party. I am proud to be a member of the Labor Party, and I am proud that my training at the Melbourne College of Divinity moved me in that direction — in fact, I felt there was no other direction.

I would like to quote from *Centesimus Annus*, which was written for the centenary of *Rerum Novarum*. It says that the formation of unions 'cannot be prohibited by the state' because:

> … the state is bound to protect natural rights … if it forbids its citizens to form associations, it contradicts the very principle of its own existence.

That is what you might learn at the Melbourne College of Divinity. I am sure that on this side of the house we learnt that. Brian Toohey's article in the *Australian Financial Review* points out a number of these things in John Paul II's encyclical *Laborem Exercens*. It would be very hard, I would think, for members of a government to come out and condemn unions and be opposed to unions and to reconcile that with their Catholic faith.

This bill is updating the Melbourne College of Divinity and making sure it is as relevant today as it has been over many years. Certainly it maintains its relevance to me, and I am delighted to support the work of the college of divinity. The definitions in the bill reflect the fact that the college will be looking at both divinity and associated disciplines. I urge it to continue and follow the vision and mission that it has, so that its studies are in the widest possible context and contribute to the development of a fair and equitable society in Australia that looks after everybody.

Sitting suspended 6.30 p.m. until 8.01 p.m.

Mr STENSHOLT — As I was saying, my studies at the Melbourne College of Divinity led me inevitably to the Labor Party. As John Paul II said, labour prevails over capitalism, work is the source of workers rights, and unions are the mouthpiece of the struggle for social justice. The Melbourne College of Divinity was very important in my formation. I support this bill and the college which has for the last 90 years worked to minister to Victorians and to its students. It is very important that we continue to support the Melbourne College of Divinity as a school of excellence here in Victoria.

Ms BEATTIE (Yuroke) — I rise to support the Melbourne College of Divinity (Amendment) Bill 2005. Although it is a somewhat mechanical bill it is hugely important, just the same. The purpose of the bill is to amend the enabling legislation of the Melbourne College of Divinity to ensure it can make the necessary legislative changes to comply with the new national governance protocols and thereby be eligible to receive commonwealth funding. I want to talk a little bit about the importance of the Melbourne College of Divinity. We have heard from others about some of its principles. The bill provides for the inclusion of the primary responsibilities of the council, sanctions for council members who breach their duties and responsibilities, the power allowing the council to remove a council member — but only by a two-thirds majority — and importantly a requirement that members act in good faith, honestly and for a proper purpose, and exercise appropriate care and diligence.

I have heard from my colleague the member for Burwood, who has first-hand experience of the college of divinity, and I am assured that its members always act in good faith and with honesty and exercise their powers with extreme care. As has been said by other speakers, this is very important, because in the world we live in today tolerance, respect, understanding and compassion are values we expect our society to have, and nowhere are they more demonstrable than in the Melbourne College of Divinity. As I said, recent changes to government funding arrangements for higher education have included a component for a funding contingent on the adoption of a set of governance arrangements referred to as the national governance protocols.

The Melbourne College of Divinity was constituted by a 1910 act of the Victorian Parliament, so it is almost 100 years on and needs to be amended to bring it into line with modern day thinking. The college has representatives from many religions, including the Anglican, Baptist, Churches of Christ, Presbyterian, Roman Catholic and Uniting churches, and also four co-opted members, one being the dean. You can see that the Melbourne College of Divinity is an historical institution but it always takes its powers and members seriously, and I commend the bill to the house.

Mr SEITZ (Keilor) — I support the Melbourne College of Divinity (Amendment) Bill. As previous speakers have said, the bill includes 11 national governance protocols which are to be implemented according to the commonwealth's Higher Education Support Act. The college was one of the pioneers in Australia in establishing an education fraternity. Until the 1972 amendment it taught Catholics as a college of Christian education, learning and development, and the bill is a step of bringing the community together. The college should be congratulated for the work it has done in bringing the Christian faiths together. Although they operated as single, separate units in different campuses, they had one focal point in teaching Christian values and Christian ethics.

That is important even today, and changes in the legislation will improve things and hopefully encourage other religions to become involved, because the community embraces the value of Christian education, particularly in my electorate. They are open to all people of all backgrounds and religions. It is heartening to see that the college is providing chaplains to those schools in my electorate, but it does not try to force the Christian religion onto people from different backgrounds, be they Hindus or Muslims. People are attending those colleges in my area simply because they value the ethics that are taught to their children and how the school is run and developed. That is an important sector.

Previous speakers have referred to the mechanics of the bill. Last year there was an interfaith function at Parliament House which was part of a development to bring us together as a society and as an organisation. Further education and further development and an understanding of religious values, be they Christian or other values from other religions, can only lead to a better society and a better future for our young students in these colleges, and a better understanding so that people can get on with each other rather than was the case in the 1950s and 1960s. I wish the college a further successful 100 years to come, and I wish the bill a speedy passage.

Mr MAXFIELD (Narracan) — I rise to talk about the Melbourne College of Divinity (Amendment) Bill. This bill is required as a result of the national governance protocols in terms of funding requirements. It helps to bring the rules into alignment to ensure that they can continue into the future and the college can get the appropriate funding it requires.

I want to make a few comments about the Melbourne College of Divinity and talk about the importance of the work it has been doing over many years and also its importance for our future. In recent times around the world we have seen some almost fundamentalist organisations preach divisiveness and hatred. The need for proper education and understanding places even more importance on the Melbourne College of Divinity continuing to function the way it has been functioning. As a community we should encourage organisations like this to continue.

As a Christian I think the proper teaching of the Christian faith is very important. I note the comments of the member for Burwood, and I fully support what he said. Here we have representatives of the Churches of Christ, Anglican, Baptist, Presbyterian, Roman Catholic and Uniting churches, as well as the Salvation Army — involved in the teaching programs, and what a wonderful example of the churches working together in our community. Some people like to portray some faiths as opposed to each other or not working together very well, but here we have a fine Christian example of churches working cooperatively in an appropriate manner. In the brief time available to me I express my great support for the bill and for the Melbourne College of Divinity. May its work continue for many years.

Ms DELAHUNTY (Minister for the Arts) — I am delighted to sum up the debate on the Melbourne College of Divinity (Amendment) Bill 2005, which has

been thoroughly and extensively debated. It is a very specific bill that amends the enabling legislation for the Melbourne College of Divinity to allow it to comply with the new national governance protocols and therefore receive the funding provided for under the commonwealth's Higher Education Support Act. It also makes additional amendments requested by the institution to quite properly improve its operational efficiency and correct some anomalies.

As I said, this has been a thorough and expansive debate. It has been blessed with a very deep understanding of faith, divinity and tolerance. I think most speakers, who included the members for Doncaster, Rodney, Oakleigh, Warrandyte, Burwood, Yuroke, Keilor and Narracan, talked at some length about encouraging tolerance in our community. Although this is a very specific bill aimed directly at changes required for the Melbourne College of Divinity, the debate allowed the house to explore some of the challenges of the faith-based religions and movements that are becoming part of our culture and our lives, and which add to the rich tapestry of Victoria. I wish this bill a speedy passage.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

RESIDENTIAL TENANCIES (FURTHER AMENDMENT) BILL

Second reading

Debate resumed from 21 July; motion of Ms PIKE (Minister for Health).

Opposition amendments circulated by Mrs SHARDEY (Caulfield) pursuant to standing orders.

Mrs SHARDEY (Caulfield) — The Residential Tenancies (Further Amendment) Bill does two main things which are in a sense not complementary to one another. The first is that it gives tenancy rights to those who share rooming houses with other people — and the Liberal Party does not oppose this part of the bill. The second is that it shortens the waiting period for rights for caravan park tenants under the Residential Tenancies Act from 90 days to 60 days. It is these provisions which the Liberal Party takes issue with and which are addressed in our amendments to this bill.

I will start by discussing the rooming house provisions of this piece of legislation. These have been necessitated by a court case which put those sharing a room in a rooming house outside the protection of the Residential Tenancies Act — unlike those residents with exclusive occupancy. If one turns to the overview of the legislation on the first page of the bill, one sees it says:

> The application of the provisions of the Residential Tenancies Act 1997 to residents of shared rooms in rooming houses has been in some doubt. The Victorian Court of Appeal in the case of *Kirkland Fisher v. Aboriginal Hostels* [1998] … although based on the provisions of the now-repealed Rooming Houses Act 1990, has been regarded as authority for the proposition that the RTA —

the Residential Tenancies Act —

> does not apply to residents of rooming houses unless they enjoy exclusive possession of a room.

It almost does not need to be said that the Liberal Party does not oppose the concept that those people who share a room in a rooming house should have the same rights as those people who enjoy exclusive occupancy. The provisions for rooming houses bring those tenants sharing a room under the act and prevent rooming house operators from changing conditions upon which a room is let, particularly the number of people who may share that room. We have no problems with this and do not regard it as controversial.

I would like to briefly go through those things which the act will now enable, most of which are incorporated under new sections 92A and 92B on page 4. Residency rights for those people sharing a room in a rooming house will include both an exclusive occupancy and a shared-room right. The rooming house owner must give each proposed resident a notice before occupation commences. In other words, they have to explain to them the fact that the room can be a shared room. The notice must state whether it is a shared room or there is an exclusive occupancy right. Two or more residents may have exclusive occupancy rights to a room. The example given in the bill is of two domestic partners who reside in a room. Another person cannot be introduced while they have exclusive occupancy. If an exclusive occupant agrees to a change in room capacity, they become a shared occupant when the consent is given.

In relation to shared room rights, one or more residents have the right to occupy the same room under a residency agreement. Residents will be chosen by the rooming house owner, who must issue a notice to the tenant under new section 94B to clarify that the resident will not be notified before another resident takes

occupation. The owner must state what the room capacity will be. It cannot be changed. As I said previously, the rooming house owner will choose the occupancy. The rent payable for a rooming house shared room must be reduced once another person is introduced. Tenancy agreements can only be entered into if the resident is to have exclusive occupation.

On the issue of excessive rent — I am going through these provisions quickly, as they appear only in this part of the bill — if the room capacity is altered and the rent is not sufficiently reduced, the occupant can complain to the director of housing. The rent must be reduced on the day consent is given to alter the room capacity. In relation to the quiet enjoyment of the room, the rooming house owner must take reasonable steps to ensure that residents do not interfere with the quiet enjoyment of other residents in a shared room situation.

An issue has been raised about separately metered bills, which is covered in clause 14 of the bill. I would like to mention it now in case we do not get to the consideration-in-detail stage. Under provisions regarding separately metered bills in the act, a resident can be charged for water, gas, electricity et cetera on the basis of a meter in the room. That is covered in section 108 of the act, on page 67. Clause 14 says:

> After section 108(2) of the Principal Act insert —
>
> "(3) This section does not apply to a resident of a shared room.".

If the situation of metered rooms in rooming houses changes and they are shared, how will the situation of the tenants paying for gas, electricity et cetera be addressed? Section 109A of the act deals with the situation where a meter cannot be used to allocate the cost of this expense and states that a fee can be applied. The question that has been raised is whether in a normal situation where there is a meter in a room there can be a reversion to section 109(a) so that the rooming house owner will be able to charge the cost for those amenities. Some rooming house owners have complained that if they are going to provide shared accommodation they may not be able to recoup that expense.

In relation to caravan parks, the bill will reduce the waiting period for the rights of tenants under the Residential Tenancies Act from 90 days to 60 days. This provision was introduced as an amendment in 2002. At that time the amendment was defeated because the Liberal Party, the National Party and the three Independents opposed it. The reason we opposed it was that caravan park owners strongly opposed this provision in the bill at that time. Caravan park owners now claim that although this provision has been reintroduced there has in fact been no consultation with them. They have received no notification from the government that this provision would be re-introduced. Nothing has changed in the intervening period, and they strongly oppose the introduction of this provision.

The government has claimed that this provision is in line with the recommendation of the Residential Tenancies Act working group of 2000. However, as I will detail later, there was no unanimous agreement in relation to that provision, so I am not convinced that the government has told the truth in relation to this issue.

Caravan park owners, as I have said, are strongly opposed to the introduction of this provision. They believe it will reduce the ability of caravan park owners to differentiate between residents and people requiring short-term accommodation such as crisis accommodation and transitional housing and that this will put more pressure on the Office of Housing to provide crisis accommodation, which, as we all know, is in very short supply in Victoria.

When I raised this issue in the briefing that we had with the Office of Housing it was said to be unimportant. I do not think it is any less important today than it was when we debated this provision in 2002. In fact, I think it is probably more important today because there is even more pressure on the Office of Housing to provide crisis accommodation in this state.

Caravan park owners claim they will face a greater business risk if residents can claim residential tenancy rights after 60 days and that they will be forced to demand bonds and more stringent rental history checks before accepting crisis accommodation clients and transitional housing clients. It is a great pity that the government has not been prepared to look at this effect in relation to people who are in great need in Victoria. It is a pity that the government seems to be blinded by ideology in terms of these provisions instead of thinking about the very negative effect it is going to have on those who need government assistance.

There is also some evidence that tenants will be worse off under this provision in that it will have the opposite effect to that intended. We know that caravan park owners often turf people out just before the three-month period is up. I think we will find caravan park owners will turf people out just one or two days short of two months, which for many will be much worse, particularly if they are short-term clients relying on a caravan park for much-needed accommodation.

The other issue raised by caravan park owners is that it will affect their holiday bookings. It is quite reasonable for people, even in a holiday period, to want to stay in a caravan park for two or three months. Often people go to caravan parks in early December and stay through to the end of January or into February. There is going to be a lot more reticence.

Ms Neville — It doesn't change anything. Read the second-reading speech.

Mrs SHARDEY — Reading the second-reading speech is irrelevant when one looks at the actual provisions in a piece of legislation. That is what I have done, and I hope the member who is so fiercely interjecting will do the same thing. Caravan park operators are telling us that they are concerned about this provision, that it will affect their business, and we support their claims.

I return to the working group, where there was not unanimous support for this provision as is claimed by the government. I refer to page 18 of its report which states:

> Caravan park owners raised concerns that removing the 90-day rule may discourage owners accepting people in need of emergency accommodation as temporary occupants, who they would not otherwise risk as long-term residents. In addition, owners are concerned that removing or reducing the 90-day period would have a detrimental impact on their ability to operate their business as a tourist park, as it would compromise their ability to protect the rights of tourists, would jeopardise future bookings and have far-reaching economic effects on their business … Many owners have submitted that the 90-day period provides flexibility to both parties, particularly in assessing whether the occupier is suited to the type of high-density living which is unique to the caravan park environment. The many caravan park owners and managers who made a submission to the working group overwhelmingly supported the retention of the 90-day rule.

On page 20 we see that unanimous agreement could not be reached on this issue. At that time there were a large number of caravan park owners who wrote to members of Parliament. I would like to refer to one of those letters. This was a letter from a caravan park in Mildura, and I hope the member for Mildura is listening to this debate so that he can address this issue. Nothing has really changed since that time — it is the same type of provision. None of the issues has changed, and none of the evidence has changed.

In this letter from the All Seasons Holiday Park the owner said:

> This will have a significant impact on the ability of the park owners to operate their business effectively.
>
> Particularly it will reduce the capacity to clearly delineate between those who are residents and those who require flexible shorter term accommodation. It will also complicate the reservation of sites for future bookings.
>
> As a consequence, there will be a reduced inclination to accommodate the more doubtful applicants for occupancy. This will work against the interests of those who wish to reside in a caravan park. Furthermore, it will make the job of welfare agencies more difficult to place their clients.
>
> The change to a 60-day period in no way advantages the genuine tenant. However, it will result in more being turned away without being given a chance.

That was the response to the changes that were put forward to this Parliament in 2002. Nothing has changed, and in fact there is a little more evidence that caravan park owners are just as upset about the provisions the government is trying to offer. I am looking at a letter that was also written back in that time, May 2002, to the then Minister for Housing, the Honourable Bronwyn Pike. It points out that the same lack of real consultation occurred then as is occurring now. This letter to the minister says:

> I am disappointed to have only just become aware of the intention to introduce the amendment bill as early as next week without the association —

that is, the Victorian Caravan Parks Association —

> being provided with an opportunity for final comment.
>
> While I do not have an inclination to provide comment without it being properly considered, it would appear that there may be some issues which are at variance with the outcomes of the review process. The association is of the view that a postponement of the introduction of the bill is appropriate to enable the association and other affected parties the opportunity to properly consider any aspects of the legislation which may be inappropriate.

Nothing much seems to have changed because, the second time round, the caravan parks association has not been invited to the table at all, and so is very upset about what the government intends.

The letter I received from the association, much of which I would like to incorporate, is important for us to acknowledge. I will quote parts of the letter. It states:

> The renewed attempt … to alter the Residential Tenancies Act 1997 with the bill is an alarming display of 'legislation by stealth'. There has been no consultation or correspondence with the Victorian Caravan Parks Association, a major stakeholder, since the outcomes of a working group that was established five years ago.
>
> Furthermore, it is misleading … to justify the amendments to the caravan parks provisions of the RTA in the form of the Residential Tenancies (Further Amendment) Bill by asserting that it is in line with the recommendations of the residential tenancies legislation working group of August 2000 with regards to the definition of a resident in a caravan park. The

> report clearly states that 'unanimous agreement could not be reached' on this issue.
>
> … nor has any new evidence comes to light that would indicate that the definition of a resident in the Residential Tenancies Act 1997 … should be altered in any way …
>
> The position of the association … that this change will reduce the capacity of caravan park owners to clearly differentiate between residents and persons requiring shorter term, flexible accommodation, such as crisis accommodation clients and transitional housing clients. Caravan park owners are aware that there is a shortage of crisis accommodation in Victoria, but should the definition of 'resident' be altered … park owners would find that there would be a greater business risk involved in accepting crisis accommodation clients and transitional housing clients. There would also be a great necessity for park owners to charge a bond and lodge this with the Residential Tenancies Bond Authority … This would mean that clients with a poor rental history and without sufficient funds to pay a bond in advance in addition to rent, such as many crisis accommodation clients, would be less likely to obtain accommodation in a caravan park. This in turn will put more stress on public housing and government-funded crisis accommodation and will disadvantage the members of our society who are in greatest need.

Honourable members interjecting.

Mrs SHARDEY — I really think that, despite the claims and interjections from the other side, what has been said in that letter is true. It is not wise for the government to ignore this advice. The number of caravan park owners who have made their feelings known on this issue is quite large. I have received emails and objections from caravan parks in Bright, Marysville, Badger Creek, Ocean Grove, Moe, Castlemaine, Leongatha, Bonnie Doon, Frankston, Torquay, Lakes Entrance, Lake Eppalock and Mildura.

Mr Leighton — It is the same email!

Mrs SHARDEY — I think it is deplorable that any member of Parliament should try to deny the public the right to object to a piece of legislation in this place. It is deplorable for members of Parliament to try to put down those whose very businesses are going to be affected by this piece of legislation. It just shows how totally uncaring members on the other side are to those people who work hard, who make a contribution and who are trying to provide a service to members of our community.

An honourable member interjected.

Mrs SHARDEY — Someone has just said 'a service' as if it is something that is not true. I think he should consider whether he is providing a service to members of the community when one thinks of people running businesses such as this, who take real risks, work long hours and make a contribution. I think their views should be taken into account when we are looking at a piece of legislation which will affect their livelihoods.

I would like to mention the email I received from the Howlong Caravan Park. This person really summarises the feeling of caravan park owners.

Honourable members interjecting.

Mrs SHARDEY — I am glad the message has got through — —

Honourable members interjecting.

The ACTING SPEAKER (Ms Lindell) — Order! The level of interjection coming from government members is too high. I would like them to allow the member for Caulfield to continue her contribution to the debate in relative silence.

Mrs SHARDEY — It is worth noting that there are some 600 caravan parks in Victoria — that is, 600 small businesses are going to be affected by this legislation. Those businesses are spread throughout Victoria, particularly in country Victoria and coastal areas. Their views should be taken into account in relation to any piece of legislation. In particular, clause 22 is the part of the bill to which these caravan park owners really object. They have said:

> This change will reduce the capacity … to clearly differentiate between residents and persons requiring shorter term, flexible accommodation —

which I have already mentioned. They have said it will:

> … complicate the reservation of sites for future tourist bookings.

It is worthy of these people to have taken the time to communicate with members of Parliament. It is a pity that members on the opposite side have chosen to completely ignore a great many of their constituents. I am sure that at the coming election these businesses will make their feelings known. It is a great pity that the government has chosen to combine two provisions, one of which we support and the other of which we do not. On that basis, I end my remarks.

Mr MAUGHAN (Rodney) — I am pleased to make this contribution to the debate on the Residential Tenancies (Further Amendment) Bill. To give the house some background, the amendments to the present act, the Residential Tenancies Act 1997, essentially came out of the residential tenancies legislation working group, which was chaired by the then member

for Bendigo East, now the Minister for Education Services. I think she did a great job with that report. As a result of many of those recommendations the legislation was amended, and the Rooming Houses Act became part of that Residential Tenancies Act.

The bill before us essentially does two things. It deals with the residential rights of those in shared accommodation in rooming houses and also with the rights of those in caravan parks. The bill was brought about in part because of a Supreme Court case, *Kirkland Fisher v. Aboriginal Hostels*. With regard to caravan parks the bill reduces the time period for residents applying to have access to residential tenancy rights from the current 90 days to 60 days. As the member for Caulfield has pointed out, we have had considerable correspondence from caravan park owners and proprietors objecting to that provision. As the member for Caulfield said when this issue was last before the house in 2002, the opposition and The Nationals opposed that provision, and we will be opposing it again this time, for precisely the same reasons.

We have had strong representations from the Caravan Parks Association.

Mr Lupton interjected.

Mr MAUGHAN — The member for Prahran says he is disappointed. I can understand that, but I am disappointed too, because if the government had consulted a little more widely with the caravan park proprietors, we may have been a little bit more supportive. The argument essentially is that they have had very little consultation with the government and that this is being imposed on them. I suggest that this open, honest and accountable government — if it really wants to get the support of the community and the opposition parties — needs to be a little bit more wide-ranging in its consultation rather than being relatively selective, as it has been in this case.

To back up what I am trying to say and as confirmation that it is not something that I have dreamed up, I have a letter here from the Victorian Caravan Parks Association, the umbrella group that operates on behalf of all of the caravan park operators. Other letters are similar, and I am not going to go through them all, but I will go through the arguments put by the caravan parks association. The letter says:

> I am writing to express my concern over clause 22 —

of the bill before the house.

> The renewed attempt of —

the minister —

> to alter the Residential Tenancies Act … with the bill is an alarming display of —

as they call it —

> 'legislation by stealth'.

These are not my words; they are the words of the Victorian Caravan Parks Association. The letter continues:

> There has been no consultation or correspondence with the Victorian Caravan Parks Association, a major stakeholder, since the outcomes of a working group that was established five years ago.

Mr Lupton interjected.

Mr MAUGHAN — The member for Prahran might be disappointed, but I suggest to him that he might do what he can within the ranks of the government to ensure that there is more widespread consultation with those who are directly affected. Perhaps then we would have broader support for these sorts of provisions. The letter goes on to say:

> Furthermore, it is misleading for Ms Pike to justify the amendments to the caravan parks provisions of the RTA in the form of the Residential Tenancies (Further Amendment) Bill by asserting that it is in line with the recommendations of the Residential Tenancies Legislation Working Group of August 2000 with regard to the definition of a resident in a caravan park. The report clearly states that 'unanimous agreement could not be reached' on this issue.

That is a fact; that is in the report. It states that unanimous agreement could not be reached, and yet the minister justifies it on the basis of recommendations of the working group. They were the recommendations of some members of the working group, but they were by no means the unanimous recommendations of that broadly based group. The letter continues:

> The association has not been invited to consult with the government on this issue since the outcomes of the 2000 working group nor has any new evidence come to light that would indicate that the definition of a resident in the Residential Tenancies Act 1997 … should be altered in any way. Therefore the association continues to support the current definition of a resident and opposes the proposal of the Minister for Health to reduce the period for a person to qualify as a resident under the RTA from 90 to 60 days.

We support that proposition for precisely the reasons that I have indicated. There has not been sufficient consultation with those involved. Members of The Nationals have not been convinced that there needs to be a change, so they will be opposing this provision. The letter further states:

> The position of the association has been, and continues to be, that this change will reduce the capacity of caravan park owners to clearly differentiate between residents and persons requiring shorter term, flexible accommodation, such as crisis accommodation clients and transitional housing clients.

I will read one final paragraph from the letter:

> The … association represents the majority of caravan parks in Victoria. Our members feel — —

Mr Lupton — But it is not unanimous!

Mr MAUGHAN — It is not unanimous, I agree, but there are roughly 600 caravan parks in Victoria, and the association represents the majority, so 500 out of 600 is not a bad number to be concerned about. The association does not represent a unanimous view — I accept that — but it certainly does represent the vast majority, and those members:

> feel passionately about this issue to the extent that they presented a mass petition to Mrs Shardey —

the member for Caulfield —

> in 2002 when this issue last surfaced. There have been no substantial changes with regard to residents in the caravan parks industry since that time, and if the government had sought our views since the 2000 working group, they would find that our position regarding the definition of a resident has remained unchanged.

I have many letters. I am not going to quote the content of them.

Mr Leighton — Because they are all the same.

Mr MAUGHAN — They are in similar terms — I agree with that — but we get many of those, as do members of the government, for a whole range of issues. It does not lessen the impact of those letters. These people have been prepared to put their names to the letters, and I will go through a few of them. I have one here, strangely enough, from a caravan park in my electorate, Yarraby Caravan Park, Echuca. It is in similar terms to that. I will read them out if members opposite really want me to.

I have one here from Phil Jones, of the Prom Central Caravan Park, Foster, Victoria. It is in similar terms:

> I operate the Prom Central Caravan Park and I am writing to express my concern regarding a serious problem …

He goes on in similar terms to those set out by the Victorian Caravan Parks Association. Another is from Henty Bay Beach Front Van and Caravan Park — it is addressed to the member for Lowan, so it is in the Western District — and is in similar terms to the last letter. I have another here from Bill and Linda Wilcox, of the Riverlander Caravan Park, Echuca-Moama, expressing their concern in similar terms. There is another one from the Borderland Caravan Park, McKoy Street, Wodonga. The concern is not confined to people in a particular spot but from all over the state. I have tried to give a selection of the mass of letters from people all across the state in similar terms.

To be fair, The Nationals have also had a letter from the Tenants Union of Victoria — —

Mr Wynne — Hear, hear!

Mr MAUGHAN — I want to be fair about this and indicate that another point has been put. This letter is — —

Mr Lockwood — Unanimous!

Mr MAUGHAN — It is a unanimous letter from the policy and liaison worker of the Tenants Union of Victoria — —

Mr Wynne — Who is that?

Mr MAUGHAN — David Imber, who I am sure the member for Richmond would know very well.

Mr Wynne — Good man!

Mr MAUGHAN — I have no doubt he is a good man, sincere and putting his case well. This is — to argue with the member for Preston — an emailed letter and I dare say every member of the house has a copy of the same letter.

Mr Leighton — But he said it only once!

Mr MAUGHAN — He did say it only once.

Mr Leighton interjected.

Mr MAUGHAN — He puts the argument and urges us to consider these points, one of which is:

> Our organisation has never supported the waiting period that applies to permanent caravan park residents before they receive protection under the Residential Tenancies Act …

I appreciate his argument but I also appreciate the argument of the caravan park proprietors. It is, of course, about striking a balance between the legitimate rights of the residents on the one hand and those of the caravan park proprietors on the other. Let us acknowledge that we do need to have enough caravan park proprietors are out there to provide accommodation. The people we are talking about in this context are those who do have various problems and are put into transitional housing by the various

housing agencies. It needs to be made attractive enough to the caravan park proprietors to provide that accommodation. My understanding is that the statistics are a little unclear. It is said that there are 7000 permanent residents of caravan parks in Victoria. Some people would argue that that is 7000 households, so there might be as many as 12 000 permanent residents in caravan parks. It seems to me that the anecdotal evidence indicates that that number is growing.

Caravan parks certainly are a very important part of that transitional housing for people who are having difficulties with housing for a whole range of reasons and need some transitional housing. We do need to make it attractive enough for caravan park proprietors to provide that sort of accommodation and not bind it up in red tape. It needs to be said in this debate that many caravan park proprietors do set aside a number of their vans specifically for people in transitional housing. I really admire them for doing that. It would be very easy to say, 'We don't want those sorts of people here. We cater for only genuine tourists or people who have a job and are here for long-term accommodation'. Many caravan park proprietors do the right thing and provide that traditional housing. There are some benefits as well because they know they will have those vans fully occupied and their funding is guaranteed by the various agencies that work with those people.

Again I come back to getting the balance right between having sufficient beds for people in difficult situations who need transitional housing and having the rights of the caravan park proprietors to make decisions to run their businesses not dictated by government. So much on caravan parks. The Nationals will be opposing that part of the legislation.

The next clause deals with the sharing of rooms. I have a note from Mandy Stewart, the manager of the Mitchell Community Housing Service in Bendigo. She refers to clause 14 on page 12 of the bill, which refers to separately metered rooms and says:

> After section 108(2) of the Principal Act insert —
>
> "(3) This section does not apply to a resident of a shared room.".

That creates all sorts of difficulties, as is pointed out. I can do no better than read from this note. This is a person who is in the business, from an organisation that has 27 rooming house rooms in Bendigo. She says:

> … the bill includes a provision that a housing agency cannot apply a service fee for a shared room. This fee normally covers gas, electricity, general heating, garden maintenance etc. It would still be charged for single tenants in a room. (The Mitchell CHS asks if this is only for private rooming houses, or does it include DOH properties, which make up the majority of rooming houses in this state?). This would mean, for example —

and this is the point —

> if a married couple were to be accommodated, they would not be charged for these services. Mitchell CHS says that this would make it too expensive for them to put people in shared rooms because the agency simply could not cover the ongoing cost themselves. For example, one of their properties has a service fee of $80 a fortnight. They could not afford to cover this week after week. They would be unable to house people in a shared room.

They go on to extrapolate that that would mean reducing their staff and reducing their services. This is a problem with what on the surface seems to be a reasonable provision.

I have taken the trouble to phone around a number of other housing agencies to see what their experience has been. I spoke to Regional Housing Services which operates rooming housing in both Mildura and Swan Hill. In their case it is not a problem because they do not have shared rooms, but their service fee is about $60 a fortnight. The Mitchell Community Housing Service in Bendigo talked about a $50 a fortnight service fee. That is roughly the figure that the organisation — an organisation that is running on limited funding — would need to pick up because of the consequences of this legislation.

That is the interpretation that has been put on it by the operators out there. That is the way I see it, and I would invite the government, before this legislation is debated in the other place, to clarify if this is the case. If it is going to preclude organisations from charging that service fee then, again, we are opposed to that. We are all about wanting to be able to provide accommodation with maximum flexibility and allowing those organisations, that do a fantastic job housing the increasing number of our community who need low-cost accommodation and accommodation in rooming houses, to be able to provide shared rooms, particularly where it is a married or de facto couple, or even two people in the one room, where they are precluded from charging that service fee.

It is not as straightforward as it seems. The Nationals certainly support any measure that is going to provide better housing for people in country Victoria and more housing for people who are in difficult circumstances and need that transitional housing. However, we think in this case that the balance is not right. Firstly, in terms of caravan park residents, we think it has gone too far against the caravan park proprietors, so we will be

opposing that part of the legislation. With regard to the rooming houses, we really do need some clarification from the government as to what precisely it means. This interpretation is being given by somebody in the business who is operating 27 rooms — and I have not contacted any of the large Melbourne organisations that are running a large number of rooms because clearly they are much better able to cover those overhead costs with a large number of rooms.

But for the small ones in regional Victoria — Bendigo in this case — where there are organisations with smaller numbers of rooming houses it will mean that the flexibility those organisations have to house people in various combinations is going to be reduced to that degree. For that reason we are not supportive of that part of the legislation, unless the government can between now and when the bill is dealt with in the upper house convince us that this is not the case and that the sorts of consequences anticipated by the Mitchell Community Housing Service will not come about.

I am pleased to have made a contribution to debate on the bill, and I look forward to the comments of some government members on this important piece of legislation.

Mr WYNNE (Richmond) — I rise to support this legislation and indicate that the Bracks government stands resolute alongside low-income individuals and families who seek to access rooming house and caravan park accommodation.

We oppose the amendments that have been foreshadowed by the opposition parties, and we are very much of the view that the two key aspects of this legislation — that is, to provide certainty to residents who are living in shared accommodation in rooming houses and to provide certainty to low-income individuals and families who are living in caravan parks that they should appropriately be under the purview of the Residential Tenancy Act — are entirely reasonable propositions which regrettably the other side of the house cannot support.

It would be well known to honourable members that my electorate has one of the largest proportions of public housing of any electorate in the state. It is indeed an honour for me to represent those people. My electorate also hosts a significant proportion of the rooming house stock in inner Melbourne. There were 227 registered rooming houses at the 2001 census. Sadly, there is not enough rooming house accommodation, certainly in the Melbourne metropolitan area, and most of us who live in the inner city have seen the demise of other forms of low-cost accommodation over the last 10 to 15 years, particularly the traditional rooms that were often upstairs in the local corner hotel and were used as low-cost and casual accommodation. Much of that accommodation was of course caught up in the speculative boom of the 1980s and 1990s, and the corner pubs of the inner city as we had known them for so many decades have now been turned over to other forms of accommodation — apartment accommodation and so forth. This has resulted in quite a significant loss of other forms of low-cost accommodation in the inner city.

I am advised that between 20 per cent and 25 per cent of the accommodation in those 227 registered rooming houses is in the form of shared rooms. As has been indicated by previous speakers, a decision of the Supreme Court in 1998 cast doubt over whether protections under the Residential Tenancies Act extended to the residents of shared rooming houses. Obviously this could have led to the unfortunate situation where unscrupulous landlords could potentially have evicted tenants or increased rents without following proper process.

This bill will ensure that the anomaly identified in the 1998 Supreme Court decision is corrected and that residents of shared rooming houses will have the same rights as any other tenant in similar circumstances. It will also require the consent of the rooming house resident if a landlord wishes to convert their rooms to a shared tenancy, and there are circumstances where there is a requirement for that level of flexibility.

I want to touch on a matter raised by the member for Caulfield in relation to clause 14 and separately metered rooms. The departmental advice I have been provided with, and between the houses we can provide that to her in a formal way, is that the costs of utilities for tenants living in shared rooms — which in most cases is electricity and gas — are generally built into the overall room charge, because if two or three people are living together in a shared room, how do you apportion the level of billing to each individual? I am advised that the general procedure is to build it into the rent for those rooms.

The second issue I want to touch on is the provision in relation to caravan parks. The member for Rodney pointed out that there has been very strong advocacy on both sides of this argument. I fall down clearly on the side of the Tenants Union of Victoria and indeed the strong representation made by its policy officer, David Imber and others who have strongly argued for the 60-day provision contained in this bill. Undoubtedly,

the tenants union would like us to step even further back to a proposition where under the Residential Tenancies Act people's rights in a caravan park would be triggered from day one. This is a check-and-balance situation, and we have come down with a measured proposition at 60 days.

As the member for Rodney indicated, 7500 households live in caravan parks of which 12 500 are individuals. This is a very significant sector of residential accommodation stock as my colleagues will further indicate in their contributions which follow. We are not talking here about tourist accommodation. To trigger the Residential Tenancies Act for the purposes of these provisions this must be your principal place of residence. So any proposition from the opposition parties that space will be taken up in tourist parks and that this will undermine the integrity of the caravan park industry is false. This must be your principal place of residence.

As I indicated this is a significant sector of accommodation for 12 500 individuals. We are suggesting that there needs to be a balance. Individuals who need permanent accommodation in these circumstances will be covered under the Residential Tenancies Act after 60 days. Caravan parks are a real low-cost option to provide a level of secure accommodation to people — —

Ms Asher interjected.

Mr WYNNE — The member for Brighton shakes her head. Let me tell her that for the people we represent this is a real and significant level of accommodation, and in fact it is the only option available to many people. The only level of accommodation available to many people is a caravan park or a rooming house. So on this side of the house we seek to protect and stand by those people who are often in very vulnerable situations. They are often the poorest people in our community and to suggest that we should allow people to live in caravan park accommodation without any form of legal protection is a scandalous proposition.

What we are saying is that after 60 days you ought to have the protection of the Residential Tenancies Act, and in that respect I would have thought that would have been given bipartisan support. Clearly it has not. The government will be opposing the amendments proposed by the opposition. What we have struck here particularly in relation to caravan parks is a reasonable and balanced proposition. Rooming house tenants — the good people that I seek to represent in the electorate of Richmond living in rooming house accommodation in my area — will know that not only will they get protection but that it is only this government that has been prepared to invest further in rooming house accommodation.

I will be pleased next Sunday to join the Minister for Housing for the opening of the 'House of the Gentle Bunyip' in Clifton Hill which again has been saved from private sector development for people with psychiatric illness to live in our community in proper and secure rooming houses — —

The ACTING SPEAKER (Mr Delahunty) — Order! The member's time has expired.

Ms ASHER (Brighton) — I also wish to make a couple of comments on the Residential Tenancies (Further Amendment) Bill before the house and to clearly indicate that I support the nine amendments proposed by the member for Caulfield. The member for Richmond during his contribution to the debate misrepresented or misunderstood the shaking of my head. If the member would like to see whether I have an understanding about issues that predominantly do not affect my constituency, which I acknowledge, he may wish to peruse what is regarded as the Asher report from the early 1990s — —

Mr Andrews interjected.

Ms ASHER — No, this is not a constituency issue for me.

The ACTING SPEAKER (Mr Delahunty) — Order! Members can have their discussion outside. The member for Brighton has the call.

Mr Andrews interjected.

The ACTING SPEAKER (Mr Delahunty) — Order! The member for Mulgrave is out of his seat and is disorderly.

Ms ASHER — And out of his depth. The member for Richmond may wish to look at the Asher report and assess his view of my credentials on these issues, which are not in my constituency but certainly within my policy interest. This bill, as has already been indicated, covers two quite disparate aspects of residential tenancy rights. The first aspect relates to tenancy rights, specifically when the Residential Tenancies Act cuts in for the protection of tenants who share rooming houses. This is in response to a court case. Government members have gone through all of this, as have other speakers, and we as a party have no objection to that particular reform. However, we differ from the government where the proposal is to extend tenancy

rights — that is, to extend the application of the Residential Tenancies Act to caravan park residents for a period different from the current one. Section 145(b) of the Residential Tenancies Act says this about caravan park residents:

> … the person becomes a resident of the caravan park if the person occupies, for at least 90 consecutive days, any site in the caravan park as his or her only or main residence.

The government proposes under clause 22 of the bill to deduce that period to 60 consecutive days. The rather heated debate that has occurred in this chamber so far concerns the distinction between the Residential Tenancies Act kicking in at 90 days or 60 days. I have to say on many of these occasions I look to the peak associations to indicate whether these things are desirable or not. The government has attempted to introduce this amendment before; it did so in September 2002 and on that occasion it lost. The Liberal Party, The Nationals and the three Independents voted for the retention of the status quo, although clearly with the numbers in the house now one would anticipate that the member for Caulfield's amendments on this occasion will not succeed. This bill and the proposed legislation in 2002 was based on work done by the now Minister for Education Services, the member for Bendigo East. I have to say that she did a particularly good job in addressing tenancy rights in some of these areas.

However, she made it clear in her report and in her contribution in 2002 that this particular aspect was contentious — that is, that the Victorian Caravan Parks Association did not agree with it. What we see now is simply a replication of what happened in 2002; the government wants to introduce this particular clause again. Given the numbers in the house, the provision will get through. I think this is an example of the government foisting policy change on caravan park owners without their consent or certainly without any form of consultation with them.

At least when the member for Bendigo East was in charge of the process in 2002 there was a fig leaf of respectability in relation to consultation. This time around the government has not even bothered with that fig leaf and is simply saying, 'We think this is good for you, and you are going to cop it'. And the government can do that when it has the numbers. However, it does not mean that it is right.

The arguments tonight are the same as they were in 2002. The arguments in favour of the propositions being put forward by the member for Caulfield are, firstly, that the caravan park owners oppose it; and secondly, that it may be counterproductive to the Australian Labor Party's aim, in that it may impact on the availability of crisis accommodation for the vulnerable people whom speakers have already indicated they wish to support. The owners may say no to various people who wish to enter their caravan parks, in which case there will be pressure back on the government to provide a range of accommodation. Owners may well, and it will be within their rights, embark on stringent tenancy checks, whereas previously it may not have been the case. My point is a simple one: I understand what the ALP wants to do in protecting people who are vulnerable; I am simply saying that this may not end up protecting the group of people it wishes to protect.

Thirdly, I wish to refer to the impact on tourism. The industry itself has said that this has a potential to impact on its capacity to deliver on holiday bookings. If the industry is making this point, it behoves the government to listen to it.

This is such a government of spin. In the second-reading speech there are four pieces of inaccuracy. The first is that the government claims this is a better balance between the rights and responsibilities of tenants and landlords. It is my contention that this is a removal of some of the business rights against the will of the caravan park owners.

The second inaccuracy in the second-reading speech is the claim made by government that this is in line with the recommendations of the working group chaired by the member for Bendigo East in 2000. That is patently untrue — and in a second-reading speech that is meant to explain the government's position. Not even the member for Bendigo East in 2002 made that claim.

The third inaccuracy in the second-reading speech is the government's claim that it will not interfere with the provision of accommodation for tourism. It is a bold statement. The peak association does not agree with the government's bold and untested assertion in the second-reading speech.

The fourth inaccuracy in the second-reading speech is the government's claim that this is a significant change that will improve the rights of the state's most vulnerable residents. It may, but simultaneously it has the capacity to also affect businesses.

In conclusion I wish to refer to a letter of 27 July from the Victorian Caravan Parks Association which was sent to every member of Parliament. The caravan park owners have raised the issue of the lack of consultation and the fact that the minister is misleading in her second-reading speech. The letter mentions the

association's opposition; it goes through some of the arguments that I have already placed before the house. Most importantly, the concluding paragraph states:

> The Victorian Caravan Parks Association represents the majority of caravan parks in Victoria. Our members feel passionately about this issue to the extent they presented a mass petition to Mrs Shardey in 2002 when this issue last surfaced. There have been no substantial changes with regards to residents in the caravan parks industry since that time, and if the government had sought our views since the 2000 working group they would find that our position regarding the definition of 'a resident' has remained unchanged.

I think that is a substantial point to make. I conclude with the observation that I have become rather weary of this government's claims from time to time that it is pro-business. We have seen its economic statements, its spin and its glossy pamphlets, and it has released more on the weekend.

This government is not pro-business, and this is a small example impacting on a small section of business owners. This government has decided to reintroduce an amendment that it previously failed to get through this Parliament. It has done so without consultation, and it has done so in the face of a raft of legitimate objections from the peak association, the Victorian Caravan Parks Association. It once again demonstrates that it has very little understanding of the way business operates in this state.

Mr LEIGHTON (Preston) — I welcome the opportunity to support socially just and fair legislation that protects our more vulnerable Victorians. The need for shelter is one of the most basic of human needs. In a modern, affluent society all people have a right to adequate housing that is available, affordable and appropriate to the circumstances of the individual. I believe the state has a responsibility to provide the necessary supports for residents and tenants, including statutory rights and protection through legislation.

This bill firstly provides increased protection for residents of rooming houses who share rooms. In particular proprietors will have to give notice to residents prior to their commencing residency as to whether they will have to share a room. Existing residents who have exclusive occupancy will have to consent before sharing a room. Residents will be entitled to rent reductions when the occupancy of their room is increased, and they will have the right to complain about excessive rents if they consider the amount of rent reduction for sharing a room is insufficient. I will have more to say shortly about the issue of excessive rents in relation to caravan parks.

My first experience of rooming houses occurred over 25 years ago as a young mental health worker doing home visits to clients who had been discharged from Royal Park. I appreciated very quickly our former patients' vulnerability to exploitation, unawareness of their rights and inability to advocate on their own behalf, and certainly the need for greater legislative protection.

I also believe our older citizens deserve our support and protection. That is certainly the approach I have taken in considering the impact of this bill on caravan parks. The bill amends the Residential Tenancies Act in a very simple way. It reduces from 90 days to 60 days the time required for a person to qualify as a resident of a caravan park and to have the rights and protection accorded by that act. I think that is a modest but important change. The industry association says 90 days, and I think the Tenants Union of Victoria would say 30 days, so I suspect we probably have the balance about right.

The Victorian Caravan Parks Association, which is the industry body representing owners of caravan parks, has complained about the changes to the Residential Tenancies Act. It has run quite an aggressive campaign involving government MPs. It has put out a letter, and it has also produced a pro-forma email that it has had a number of its members send — it is almost spam — to individual MPs. But to show how reasonable I am I have put a copy of the letter of 27 July from the president, Mr Bob Farmer, on my web site, along with an exchange of emails I have had with that association. I have done that because I believe the caravan parks association has a huge credibility problem when it comes to giving government advice on the Residential Tenancies Act.

I call upon the Victorian Caravan Parks Association to get its own house in order and get the cowboys out of its membership. The biggest of the cowboys is a guy named Steve Wellard, the rogue and scoundrel who operates Summerhill Residential Park in Reservoir, in my electorate. Summerhill is a facility consisting of a couple of hundred older residents living in what Wellard calls demountable home units — mobile homes. I have exchanged emails and correspondence with the caravan parks association, which I have posted on my web site.

I started off by asking the association whether all its members are caravan park operators, whether the Residential Tenancies Act applies to caravan parks and who were the members in my electorate. The association wrote back and confirmed that all caravan parks are bound by the Residential Tenancies Act and

gave me a list of its members in the northern suburbs of Melbourne, including Summerhill Residential Park in my electorate. I have also scrutinised the caravan parks association web site and gone to the page entitled 'Membership application online' where a 'park member' is described as:

> any person, company, trust or organisation directly involved in the operation of a caravan park (in effect each 'park' becomes a member and on sale of the park, the membership is transferable to the new proprietors).

For instance, I could not be a member of the caravan parks association because I am a parliamentarian not a caravan park. The newsagent next door to my office could not be a member because he is a newsagent. But the problem with the association is that it has as a member this rogue and scoundrel in Reservoir, Steve Wellard, who says he is not a caravan park and that the Residential Tenancies Act does not apply to him.

Mr Andrews — What is he — a mobile home park?

Mr LEIGHTON — He must be some sort of residential park. The reason he is arguing that is the very same reason that we want to give increased protection to residents of caravan parks with this bill — that is, by reducing from 90 days to 60 days the period over which residents will have the various protections of the Residential Tenancies Act. For example, they will be able to challenge what they consider to be excessive rent increases. The process under sections 153 and 154 of the Residential Tenancies Act is, firstly, to lodge an objection at the time the rent is increased. Consumer Affairs Victoria (CAV) then does an inspection and hands down a report. If the report says the rents are excessive, the resident is able to go to the Victorian Civil and Administrative Tribunal (VCAT) and argue a case before the tribunal with the aim of having the rent reduced.

The rents are excessive at Summerhill. Steve Wellard, rogue and scoundrel that he is, has people sign unconscionable contracts. He charges high rents, provides a low level of service and rips them off with extra maintenance fees. For the first time earlier this year the residents of Summerhill decided to take him on. They challenged his decision to increase rents. CAV came out, conducted an inspection and issued a determination that the rents were excessive, so the residents went off to VCAT to have the rents lowered. But Steve Wellard has now had the cheek to argue before VCAT that he is not a caravan park and therefore the Residential Tenancies Act does not apply to him.

I invite people to view the correspondence, including emails, on my web site. I have pointed out to the caravan parks association that there is enormous inconsistency and hypocrisy in its position, because it says it is an industry association of caravan parks, that the Residential Tenancies Act applies to caravan parks, that you have to be a caravan park to be a member and that Summerhill is a caravan park, yet it accepts as a member one of the greatest shonks in the industry who denies that he is a caravan park. In my view it is incumbent on the caravan parks association to clean up its own act and get rid of cowboys like Wellard. If the association will not do it, then people like us are going to have to do it by examining whether the legislation is sufficient and by having a closer look at his contracts and at what other action we can take.

In conclusion, after I replied to all the emails from the various caravan park associations, I received a telephone call from one caravan park owner, and on this issue I have more sympathy. He claimed that various organisations were using his caravan park as a dumping ground for people with mental illness. I certainly do not support that claim nor do I think any member in this house would support it.

He argued that some of the organisations failed to identify themselves and failed to identify the condition of the people they wanted to dump there. In my view, having a mental illness per se should not stop you from residing in a caravan park, but it is not acceptable to dump people who have a serious psychiatric illness without providing the necessary community support. I say to the Victorian Caravan Parks Association that I have more sympathy on that issue, but I certainly do not support it objecting to our legislation, which is fair and just. The reduction in length of stay at a park from 90 days to 60 days is a reasonable proposition and gives vulnerable Victorians much greater support.

Mr DIXON (Nepean) — Caravan parks and their owners have real issues with this legislation, which I wish to address. Many members in this place have received correspondence not only from the Victorian Caravan Parks Association but also from individual caravan park owners. Some have been form letters, others have been well thought out and others have been personal letters.

I have a number of caravan parks in my electorate. I have had a lot to do with them especially through the recent land tax issue — which I shall mention later. I have developed a personal relationship with the owners and operators of the caravan parks in my electorate.

Ms Lobato — They are shonks!

Mr DIXON — They are not shonks. There might be one in the electorate of the member for Preston, but the owners and operators of the caravan parks in my electorate are reasonable and fair, and are not out to rip off people. They provide low-cost holidays to a range of people, they provide emergency accommodation to a number of the agencies in my electorate, a number also provide a cheaper residential option for people who cannot afford other housing, and in some cases some people choose to live in a caravan park and spend their money on other things.

Just because there are one or two exceptions — in any organisation you would have that — I do not like branding all caravan park owners in the way in which the member for Preston was implying because of the one bad egg in his area or for his justifying this legislation. When the caravan park owners in my electorate have written or spoken to me about the legislation and other issues they have spoken truthfully, and what they have said reflects the reality of the situation on the Mornington Peninsula. They were not form letters, they were individual letters. They put the argument to me very well. I have certainly taken that on board and will talk about that in my contribution to the debate.

The main issue they have is with clause 22, which reduces the residential qualifications from 90 days to 60 days. I wish to quote the owners of the Kangerong Holiday Park, who said in part:

> This change will reduce the capacity of caravan park owners to clearly differentiate between residents and persons requiring shorter term, flexible accommodation and will needlessly complicate the reservation of sites for future tourist bookings.

I take a lot of notice of that because in my electorate tourism is the largest part of their income and business. In a reasonable way they are saying to me that they have real issues about how tourism will be affected. In my wider shadow responsibility for tourism I also have concerns about this, especially regarding the tourism industry throughout Victoria, particularly in the coastal locations which have had a bad run under this government. If it were not for the Victorian Caravan Parks Association and the hard and dedicated work of the various owners — no thanks to the Minister for Tourism, who did not come out and support caravan park owners — the land tax legislation would not have been changed.

The member for Brighton made a very good point. She said this may — not definitely, but maybe — unfortunately work against some of the lower income tenants of caravan parks, because in some cases they will have to produce their rental history or will be asked to produce a bond on top of their month's rent in advance. Many of them will not be in a position to do that. If that occurs, in the end the people who really need short-term, emergency accommodation will be priced out of — and red-taped out of — the very accommodation that should be there for them.

This is very important because caravan parks right across Victoria, and certainly in my electorate, provide short-term and emergency accommodation. There is a need for that in my electorate, because as with many areas of this state there is just not enough public housing. When I look at the number of emergency accommodation issues — issues that show a need for public housing — that come up in my electorate or at the statistics for my region I see that the government is fighting a losing battle in public housing. In the end this may work against that situation and put even more pressure on public housing on the Mornington Peninsula, which is in no way ready to absorb any extra pressure.

The reduction in time to qualify as a permanent resident from 90 days to 60 days was tried back in 2002, and it was rightly defeated in this place. All of a sudden we see it again. The government says, 'We consulted with caravan park owners — in 2000'. That was five years ago, a long time ago. A lot has happened since then. A lot of owners have changed, and the nature of some caravan parks has changed in those five years. What might have been the case in 2000 is certainly not the case in 2005. To say that the argument holds in 2005 because it held in 2000 is just ludicrous. When caravan park owners say they have not been consulted, that is true. The government does not need to consult them. It can do what it wants, because it has the numbers in the upper house as well as the lower house, which it did not have last time. It has the numbers now, so it does not need to consult. To try to justify the decision by saying, 'We did the consultation in 2000', is so close to a lie that the government should not even be mentioning it as an argument.

Because of my interest in tourism in my electorate as well as my wider responsibilities across the state, I have a problem with how this legislation may affect tourism. I quote from a letter from the Victorian Caravan Parks Association:

> In a situation where a person becomes a permanent resident after staying in a caravan park for 60 days, and therefore has the right to remain as a permanent resident, there is a possibility that a park will be unable to honour a tourist booking in the caravan park for the holidays. This would damage the ongoing viability of tourism in caravan parks, as tourist accommodation could no longer be guaranteed.

I heard groans from the other side because this came from the horrible people in the caravan parks association, which has dared to stand up to the government on a couple of occasions. I checked this letter out. This is a form letter; it went to every single member. I spoke to the caravan park owners in my electorate. Unlike the member for Preston, I trust and have developed a relationship with them. They say this is the reality of the situation. They are the experts; they are the ones with practical experience with holiday bookings who know the effects of other types of accommodation on their business as tourism operators. When they say it will affect them, I believe them, because they are not doing it just to upset the government. They are saying that is their experience. That is the message they wanted me to get to the government, because they certainly did not get the opportunity to get that message across to the government when this legislation came in.

Caravan parks are very important to tourism, because they offer low-cost accommodation. When you look at advertisements for tourism accommodation around this country, you realise that caravan parks, camping grounds and camping reserves really are the only ones that provide accommodation for those who cannot afford expensive holidays — the families the people on the other side say they represent. It is very important that everything that we and this government can possibly do to encourage caravan parks to remain open and viable and be able to charge reasonable rents — everything that goes towards the goal of providing flexibility of accommodation as tourist facilities — should be encouraged. We nearly saw them wiped out with land tax. If it were not for the Victorian Caravan Parks Association and the individual caravan parks that made this government listen to bring about the change to and their exemption from land tax we would not even have caravan parks and I would not be standing here arguing for them because they would not be tourist facilities any more.

The opposition and I have a real issue with the changes this legislation will bring about and the effect it will have on caravan parks, especially in my electorate, and the tourism industry.

Mr WILSON (Narre Warren South) — It gives me great pleasure to rise tonight to speak in support of the Residential Tenancies (Further Amendment) Bill. This bill is all about protection — protection of the people who reside in caravan parks and the people who share rooms in rooming houses. These are some of the most vulnerable in our society.

An Australian Bureau of Statistics occasional paper, *Counting the Homeless — Implications for Policy Development*, estimated that on one recent census night there were more than 20 000 people in improvised dwellings, or sleeping out, in Australia. In addition more than 23 000 people were in boarding houses in Australia; more than 12 000 people were in the supported accommodation assistance program; and more than 48 000 people were staying with friends and relatives in very temporary and potentially unstable accommodation. That is well in excess of 100 000 people in Australia who could have been deemed as homeless on that one night — and these are the people who are in most need of protection.

While there are no private hotels or rooming houses within my electorate of Narre Warren South, I am aware that there are several in the Dandenong area which service surrounding areas, such as the electorate of Narre Warren South. Rooming houses provide an alternative form of low-cost housing for those in our communities who are unable to afford to purchase their own homes or unable to afford private rent. Unfortunately over the years I have been asked to assist many constituents under the threat of homelessness to seek accommodation in rooming houses and caravan parks. I truly wish there was not a need. But without these vital alternatives many people would be living on the streets.

With respect to the rooming house provisions, residents of shared rooms do not have the same rights as those fortunate to have sole occupation of a room in a rooming house. This bill will ensure that this inequity is removed and allow all rooming house tenants the same rights and protections. This bill makes certain that a rooming house owner must give all residents written notice of their occupancy rights. In relation to shared rooms the rooming house owner must also seek and obtain written permission from the existing occupants to increase the intended room capacity — not the rooming house's capacity, but the capacity of the particular room.

While researching this issue I read with interest a speech made in 1993 in this chamber by the then member for Carrum, Mal Sandon, on the Caravan Parks and Movable Dwellings (Amendment) Bill. That bill was repealed and replaced by the Residential Tenancies Act in 1997. Mr Sandon had some involvement in the inception of the original Caravan Parks and Movable Dwellings Bill after receiving a complaint from a young couple who knocked on his door on, of all nights, Christmas Eve. They were living in a caravan park and were concerned about the lack of rights they had at the time. Mr Sandon told me he became aware

that there were no tenants' rights pertaining to people in caravan parks and set about to ensure this inadequacy was addressed.

I was involved in one part of his activities — that was a tour of the many rooming houses in Dandenong. On this tour, which occurred in the late 1980s, along with Mal Sandon I was accompanied by Terry Norris, my then employer and the then member for Dandenong. Many of the living conditions in these rooming houses were absolutely terrible, and in several rooming houses no residents' rights seemed to be enforced, or there were so few that residents lived in those rooms at the whim of the landlord.

Further, I note that the number of rooming houses in the Dandenong area appears to be declining. This has certainly had an affect on low-income earners as they look for an affordable place to rest their heads and have a little enjoyment of life.

The changes in the Residential Tenancies (Further Amendment) Bill in relation to caravan park occupancy further strengthen the protection of the rights of caravan park residents by requiring park owners to notify those residents who do not have prior written consent from the park owner to occupy a site in the caravan park as their only or main residence of the residency rights that are conferred on them after 60 days — instead of the previous 90 days — of continuous occupation in the caravan park site. As we have been told this evening, these changes have been made based on the recommendations of the residential tenancies legislation working group to ensure a better balance between the rights and responsibilities of new tenants, existing tenants and landlords.

A previous speaker noted that this bill is not pro-business. In this case I believe the greater right is to ensure appropriate tenancy protection. I certainly support business. Many of my good friends and relatives operate their own businesses. But I wholeheartedly support this bill, because I believe it strikes the right balance.

Mr SAVAGE (Mildura) — I rise to give tepid support to the bill but not to the measures that reduce the time for the provision of residency rights in caravan parks from 90 to 60 days. It needs to be said that most individuals who rent public housing, caravan parks and the like are responsible and are good tenants. The same can be said about the people who run caravan parks and rent houses: the vast majority are equally responsible. I do not propose to visit the part of the debate which is about rooming houses. I believe that part is appropriate. I think the reduction of the period from 90 days to 60 days is unnecessary. Change should be born on the basis that there is significant support for it. There is some division on the need for change. Like other members, I have had a large number of emails and letters from caravan park owners and operators. I am glad to say there were not as many letters regarding this issue as there were regarding channel deepening. It could be said that the number of letters we got on that particular issue was counterproductive. Nevertheless, I have had a large number of letters and emails. As the member for Nepean said, the correspondence has some similarity to the correspondence on the other issue.

The main theme is that the bill adds some changes that will have an adverse impact on people who are seeking accommodation in caravan parks. There may be a need to bring in a bond at an earlier date. That in itself may disadvantage potential occupants of caravan parks. The industry itself must be listened to. I received a briefing and was appreciative of it. In the briefing an interesting story was told about how the 60 days was arrived at when there was some opposition from caravan park owners as a group.

The other issue that we should be looking at is public housing. I get more complaints about public housing than about other issues. I am sure other members do too. There are some problems out there. I have never had any complaints from residents of caravan parks in the region that I have represented for the last nine years. That is an indication that there is no great groundswell of support in the electorate of Mildura — there may be in other areas — for bringing in this measure of change. On that basis I will be supporting the member for Caulfield's amendment, and I will not be supporting the bill in its current form.

Ms NEVILLE (Bellarine) — I am very pleased to speak in support of the Residential Tenancies (Further Amendment) Bill. I am very lucky in my electorate of Bellarine to have a large number of caravan parks, both private parks and parks on Crown land. Overwhelmingly these parks provide holiday opportunities for families in Victoria. In particular, in Bellarine I have one of the largest caravan parks in the Southern Hemisphere, and that is the park run by the Bellarine bayside foreshore committee of management.

I want to take up some of the comments made by the member for Nepean, who questioned this government's commitment to caravan parks and the roles they play in providing residential housing options for people and as tourist options around the coast. I took some offence at that, as I am currently the chair of the caravan park reference group which was established by the Minister

for Environment. As chair of that reference group I can assure members I have seen almost every single caravan park that exists along the coast in Victoria. We have some fantastic caravanning and camping opportunities.

The reason that reference group was established was to protect the tradition of affordable holiday options around the Victorian coast for Victorian families. That is our overall aim, and hopefully some of the work we will do will ensure that we have those options into the future. Part of the work we did was to go out and talk to private operators. We were aware that there were a number of closures related to land tax, but the reality in coastal areas is the enormous increase in property values, and the combination was putting pressure on private operators. Despite the fact that for many years caravan park owners had been raising with the opposition parties the removal of land tax from caravan parks, it was this government that listened to them and removed that land tax. I was pleased that the reference group was able to play a role in making that recommendation to the Treasurer.

Let us be clear what this bill does when it refers to caravan parks. There is one change, which is that it reduces the waiting period from 90 to 60 days before a resident of a caravan park is entitled to some rights and protections under the law. That is the only change. Tonight we have heard that a lot of people will find it difficult to differentiate between clients. I imagine that caravan park owners have mechanisms currently in place that enable them to work out what sites are tourists sites, what sites are for crisis housing, which client is in emergency housing and which are going to be there as permanent residents. There are no changes to those processes, so I am sure that caravan park owners can implement their current processes in order to deal with their particular client range.

In fact most tourist parks do not have many permanent residents. As I said, I am one of the few people who have seen most of those parks. There are very few permanent residents. It is very easy to differentiate between permanent and tourist residents, including those who have annual sites, which work on an annual lease arrangement.

I too have received the same email to which members have referred from a lot of caravan parks around the state. I appreciate their taking the time to indicate their views to me as a member of Parliament. I took the opportunity to go back to all those in my electorate who contacted me, all of whom were tourist park operators. I do not think any had permanent residents within their parks. They had been informed by the caravan park association that all of a sudden they were going to be affected by this and it would put in jeopardy their capacity to meet tourist demand. It was disappointing that the caravan park association did that, because it has generated a level of fear among both Crown land and private caravan park operators in tourist zones.

It is very clear in the current legislation, which does not change — except, as I said, for the change from 90 days to 60 days. Section 145 of the Residential Tenancies Act is very clear. The member for Brighton read the section out, but it is worth repeating. Section 145(b) states:

> … the person becomes a resident of the caravan park if the person occupies, for at least 90 consecutive days, any site in the caravan park as his or her only or main residence.

I repeat, 'as his or her only or main residence'. I do not think you need to have a law degree to understand that the 60-day provision will apply only when a park is a person's main or only residence. It cannot be any clearer than that. There is no doubt for those who operate tourist parks. In regard to tourists that occupy sites, whether they stay 90 days or 120 days for their holidays does not matter. This provision will not apply to those sites.

I have been able to spend some time talking to caravan park operators along the coast in my electorate and reassuring them. Once they understand the wording in the legislation people feel reassured that they are not going to be affected. It is disappointing that both the caravan park association and the opposition are trying to create uncertainty and fear in this instance when there is not an issue at all. The provision is clearly articulated in the legislation.

We need to be clear that caravan parks that provide permanent residency to people are providing accommodation to some of the most marginalised, vulnerable and disadvantaged members of our community. We have been talking about the rights of caravan park operators. If you are a tenant of a caravan park there is a question that I think is certainly worth asking: why am I treated differently under the law than I would be if I were renting a house or lived in a rooming house? Rooming houses have some of our most disadvantaged and vulnerable community members. Why is it that I am treated differently under the law than those people who rent? It is a good question.

An honourable member interjected.

Ms NEVILLE — That is right; there is no good reason why. It is a historical reason. We as a

government need to look at and protect both the interests here, because we have a historical arrangement. Tenants may not necessarily feel a 60-day provision is going to answer the argument that they are treated differently; but on the other hand we have operators who are very concerned that somehow all of a sudden they will not be able to differentiate between clients and might have to close. Once it is in place, people will be able to manage, as they have managed for however long they have operated as caravan park owners.

The other interesting comment we heard tonight was about red tape. I think it was the member for Nepean who raised it. The question you have to ask is: is it red tape to give caravan park tenants proper notice before they are evicted? If it is red tape, then I think it is red tape we should all be supporting. This legislation is trying to give some basic rights to some of the most vulnerable people in our community. Instead of their having those rights at 90 days, they will have them at 60 days. It is not going to be a disaster. It is not going to close caravan parks. As I indicated throughout the work of the caravan park reference group, the government will continue to support caravan parks.

However, we also want to ensure that the most vulnerable members of our community have access to basic rights under the law, just as everyone else who rents accommodation does. We are just trying to strike a fairer balance and create greater equality under the law for vulnerable people in our community. I really am disappointed in members of the opposition in regard to their approach to this legislation. I am disappointed about the fear campaign they are running, and I urge them to reconsider their position.

Dr SYKES (Benalla) — I rise to speak on the Residential Tenancies (Further Amendment) Bill. I cannot support the bill, because the government has got the balance wrong and because it did not consult with caravan park operators, who are key providers of low-cost accommodation. I think the government risks making the situation worse for the vulnerable people they seek to assist. Homelessness is a problem throughout Victoria that involves people of all ages, particularly vulnerable people, who often need not just bricks and mortar and a roof over their heads, but decent support services.

Business interrupted pursuant to standing orders.

ADJOURNMENT

The ACTING SPEAKER (Mr Ingram) — Order! The question is:

> That the house do now adjourn.

Road safety: speed zones

Mr MULDER (Polwarth) — The matter I wish to raise is for the Minister for Transport. It concerns the Premier's actions yesterday in shoving the minister aside and then trampling all over him in calling for a review of the confusing implementation of new speed zones across the state. Thousands of Victorian motorists would have been fined, gained demerit points and possibly lost their jobs because of the minister's utter incompetence. The action I am seeking from the minister is for him to immediately apologise to the motoring public of Victoria, and indicate to the house and those who have lost their licences, been fined or gained demerit points in these confusing zones whether the state is facing a compensation payout.

Mr Pandazopoulos — On a point of order, Acting Speaker, the member for Polwarth has been in the house for a number of years now. I note that he is reading word for word from a document. If it is a document, I would like him to table it in the house.

Mr MULDER — These are notes I have put together on this issue.

The ACTING SPEAKER (Mr Ingram) — Order! There is no point of order.

Mr MULDER — They do not have a date on them, either!

If so, could the minister provide a comparison between the compensation payout for his faulty Western Ring Road speed cameras and this debacle? In August 2003 the minister stated:

> To ensure the introduction of the school speed zones is consistent within communities and clear to motorists, the school speed zones will be installed on a municipality-by-municipality basis.

In a press release dated 2 October 2003 the minister stated:

> The new school rules for motorists are very simple …

Yesterday the Premier admitted that the Minister for Transport had made a total mess of the implementation of new speed zones across the state, admitting that the minister had caused confusion and anger within the community. The Premier and not the Minister for

Transport has ordered a review, an investigation, an examination and a look into speed zones. Whatever the outcome of the review, the Premier must not let the Minister for Transport near it.

The Royal Automobile Club of Victoria (RACV) has stated that 70 per cent of motorists are confused. The Premier has stated that concerns have been raised that frequent changes in speed zones and signage can cause confusion. I am confused, and the house is confused. The only person who is not confused is the Minister for Transport; he is the odd man out. The RACV has also stated that the confusing speed zones have fuelled the cynicism of some motorists about speed enforcement. As I pointed out earlier, no-one is more to blame for the wretched reputation this state has in speed enforcement than the Minister for Transport and his dodgy Western Ring Road speed cameras and resultant compensation packages. How is it possible that a speed zone implementation program could be botched by this inept minister who simply cannot seem to get anything right?

Motorists have had to comply with up to 10 different speed limits on a 6-kilometre stretch of the Beaconsfield–Berwick main road. Similar situations exist in other locations across the state, and some are even worse. Can you imagine elderly drivers trying to keep track of what speed zone they are in over a 6-kilometre stretch when it changes 10 times? What about pedestrians, other cars, trucks, motorcycles and roadside objects — how are they supposed to pick them up? Motorists have a right to ask the question: are this government's speed zones about safety or are they about confusion and speed camera revenue?

Pilkington Australia: job losses

Mr TREZISE (Geelong) — I raise an issue tonight for action by the Minister for Manufacturing and Export. It is an important issue relating to the potential loss of jobs at Pilkington Australia in my electorate of Geelong. For the information of the house, Pilkington manufactures windscreens for the automotive industry, including, and relevant to this adjournment matter, General Motors.

In early August Pilkington announced publicly and to its work force that it had lost its contract to supply glass to General Motors — unfortunately the contract for the new Commodore will be going to Thailand. As a result, more than 100 people are in danger of being made redundant at the Geelong, Laverton and Pooraka plants. It is estimated that up to 70 jobs may be under threat in Geelong. I can assure the house that this is a blow not only to the individual workers, their families and workmates but also to the community of Geelong. The action I seek from the minister is for him to ensure that he and the state government work with and offer all assistance possible to Pilkington and its workers in order to save these manufacturing jobs, or at the very least minimise the loss of jobs.

In seeking this assistance I note that over the past decade Pilkington has enjoyed a very harmonious and positive industrial relations relationship with its work force. In 2000 the company invested something like $55 million in state-of-the-art equipment. It did this with the full cooperation of its work force. The company also restructured its operations within the plant.

As I have said, Pilkington's workers and the community of Geelong cannot afford to lose 70 jobs as a result of decisions made in the United States by General Motors. I am also aware that the federal member for Corio has raised the issue on the floor of the federal Parliament and is seeking support from the federal government. I know that he has also written to the Minister for Manufacturing and Export about the issue, which is important and needs to be addressed. I look forward to the minister's action.

Road safety: farm machinery

Mr MAUGHAN (Rodney) — I wish to raise a matter for the Minister for Transport that concerns road safety regulations for over-width agricultural machines. The minister will be well aware that, under section 196 of the Road Safety (Vehicle) Regulations 1999 and by notice published in the *Government Gazette*, VicRoads is able to exempt the operators of broad-acre equipment, be it harvesting equipment or cultivating equipment, from the need to obtain a wide-load permit every time they move that machinery, provided they are moving it from farm to farm and are in a certain designated broad farming area.

Regulations to that effect came into operation on 1 January 2000 and expired on 31 December 2004, but strangely enough nobody seemed to notice that until well after the event. The implications are that agricultural contractors or others moving with machinery in designated areas who, prior to 31 December 2004, could do so without a permit now need a permit for every trip. Worse still, a number of farmers and contractors are probably totally unaware that they are still not covered by the regulations.

The northern Victorian branch of the Grain Harvesters Association of Australia is very concerned about this development. The secretary, Graeme Mulholland, has contacted me following a meeting of the association

that was held in the last couple of weeks. He asked, firstly, that I raise the matter with the minister, which I am now doing; and secondly, that I point out to him that the previous regulation has sunsetted and that there is no regulation there at the moment. Mr Mulholland requested that I ask the minister to reinstate as a matter of urgency the previous regulations to operate through until 30 June 2006 to cover the forthcoming harvest.

I am aware that the Victorian Farmers Federation and the Tractor and Machinery Association of Australia are also seeking some changes, but I suggest that the proposed action should, firstly, cover the forthcoming harvest and sowing for next year's crop and, secondly, give the industry nine months to determine what changes it most wants with a view to implementing those from 1 July 2006. Therefore I seek an undertaking from the minister to examine the matter raised as soon as possible with a view to reinstating the previous regulations to operate through to 30 June 2006.

Rugby League: development

Mr LOCKWOOD (Bayswater) — Rugby League is a sport that has been played in Melbourne for many years but Melbourne has had its own National Rugby League (NRL) team for only eight years. Just last week the government announced that a number of elite Rugby League games will be played in Melbourne over the next few years. In particular the third state of origin game will be played at the Telstra Dome in 2006.

The ACTING SPEAKER (Mr Ingram) — Order! The member has to direct his matter to the attention of the minister.

Mr LOCKWOOD — The action I ask is that the Premier support this major event by attending that game in 2006. Melbourne has a program of major events and a number of Rugby League games have been added to that program, including one state of origin match between New South Wales and Queensland in June or in July of the following years: 2006, which is next year — game 3 of the series; and 2009 or 2010 — game 1 or 2 of the series. It also includes a tri-nations game in October 2006 featuring Australia versus New Zealand, and an international Rugby League match in 2008, possibly a Rugby League World Cup game involving the Australian national team, the Kangaroos.

Melbourne is the sporting capital of Australia, and it is only right that it has its share of these premier events. It is only right that Melbourne has its own team, Melbourne Storm, which is currently showing those from Sydney that Melbourne can lead the way when it comes to most sports. The Australian Rugby League (ARL) can see the opportunities to develop its gains further in Australia's no. 1 sports market — Victoria. These events will add to Victoria's impressive calendar of international sporting and cultural events. Victorians will relish the opportunity, as they have in the past, to experience the excitement of the incredible games that have engrossed our northern neighbours for many years. I think Melbourne set a world record for attendance at a state of origin game.

A Rugby League festival is being developed around the state of origin games to encourage larger numbers of supporters from interstate to visit Victoria. Hopefully the Rugby League *Footy Show* will broadcast from Melbourne following the midweek state of origin match. Melbourne Storm could then play the Brisbane Broncos or a top-four Sydney team on the weekend to encourage visitors to stay longer in Victoria.

The government can also support the ARL and Melbourne Storm as they develop and promote Rugby League in Victoria. The sport will also leverage the development of the game in the new rectangular stadium to be built in the Olympic Park precinct after the Commonwealth Games. It will be great for the sport to have a purpose-built, modern stadium for its players and fans.

Melbourne Storm and its partners are investing $23 million in the game in Victoria to bring it to more young people and develop its grassroots. This is great news for sport in Victoria. It gives Victorians more sporting choices and access to some great spectacles. There is no need for the Australian Football League to see the ARL as a threat. AFL clubs have proven that they can work with Melbourne Storm to share skills, and the different brands of football complement one another in winter and give Melbourne a chance to dominate in two grand finals each year.

There are those in the Sydney media who say the ARL should not play a state of origin match in Melbourne and indeed that Melbourne does not even deserve its own ARL team. These people are wrong headed and empty headed. They are all mouth and no brain, looking for a headline and mouthing their prejudice out of ignorance. They are plain wrong, and the people of Melbourne will prove them wrong, because the state of origin games are great spectacles. They are the peak games of each season for the sport, and they are the games that Rugby League players aspire to playing in. They have proven to be markedly even contests over the years since they began in 1980. Every year the best players all go hell for leather and enjoy it very much.

Police: Rowville station

Mr WELLS (Scoresby) — I raise a matter for the attention of the Minister for Police and Emergency Services. I ask him to take immediate action to deliver the Bracks government's 1999 election promise — can you believe it? In 1999 the government promised to build a 24-hour police station in Rowville. To give credit where credit is due, the government has actually built a police station, but we do not have enough police to fill it, so it is running only 16 hours per day. The reason I am raising this particular issue tonight is the recent release of the crime statistics. To give further credit where it is due, I acknowledge that the Bracks government has been able to reduce the theft of bicycles, which is a very important factor. When you look at property crime you can see that there has been a reduction in bicycle theft.

However, in Rowville, for example — in the City of Knox — there has been a 17 per cent increase in crimes against the person — that is, homicide, rape, sex non-rape, robbery, assault, abduction and kidnap. In Rowville — and this police station is smack bang in the middle of Rowville — there has been a 9.6 per cent increase in crime. In 2003–04 1268 offences were recorded; that has now climbed to 1390. Based on the government's own crime statistics that it has received through Victoria Police, there is an urgent need to ensure that that police station goes from being a 16-hour station to a 24-hour station, which as I said was promised at the 1999 election.

Of course the shortage of police is a problem right across the state. As of just recently the government has delivered 230 police after promising 600 police in this term of office, which means it needs to find another 370 over the next 15 months. The mathematics certainly do not stack up.

When you look at the incidence of crime, you find that there has been a reduction in property crime in Knox but that violent crime has increased by 17 per cent, which would be the more important part. I notice that there has been a 25 per cent reduction in the theft of bicycles in the Knox area, which does have an impact upon the theft of property, so property crime has fallen. However, violent crime is what the people of Rowville and the people of Knox are more concerned about. They are concerned that they cannot walk the streets. We need more police in the Rowville area, and we want the Bracks government to deliver on its promise.

Commonwealth Games: athletics track

Mr LANGUILLER (Derrimut) — I raise a matter for the attention of the Minister for Commonwealth Games in the other place. The attention I seek is that the minister consider the possible relocation of the all-weather athletics track at the Melbourne Cricket Ground following the conclusion of the Commonwealth Games. I ask the minister to relocate the track to the municipality of Brimbank.

As part of the preparations for the 2006 Commonwealth Games, a temporary athletics track is being installed at the MCG. I understand that stage 1 of the project comprised reconstructing the arena surface; installing new irrigation, draining and conduiting; and preparing the subsurface of the track. Stage 2 will commence after the 2005 Australian Football League Grand Final, when the track will be laid and then covered in time for the 2005 Boxing Day Test. After that, the track will be uncovered and prepared for the Commonwealth Games.

I understand that the minister is investigating the feasibility of and costs associated with the relocation of the track following the games. I ask the minister to consider relocating the track in the western suburbs, and in particular that consideration be given to relocating it in the municipality of Brimbank. I encourage the minister and the government to continue to work with the municipality of Brimbank that is currently under the very good stewardship of Cr Natalie Suleyman and the other councillors and chief executive officer, Marilyn Duncan. The councillors have shown that they have the capacity to develop a good vision for the residents and the determination and commitment to work constructively with the state government in developing projects which benefit the community.

Among the projects I name the successful Sunshine pool exercise in which the community and stakeholders, together with the state government and local members under the lead role played by the member for Footscray, established a very successful project. The other project is the Sunshine youth precinct, which will be an important hub with all kinds of services provided to young people in the community. These two projects among others demonstrate that the municipality is in good stead and is working very well with the state government. I encourage the government and the minister to continue their activities in constructive engagement with the municipality of Brimbank, all of which bring about an improvement to the quality of life of the residents of the western suburbs.

As you would know, Acting Speaker, the municipality is well located between the two major ports, and it is an industrial area and a growth area. It is a good area to have the track relocated to.

The ACTING SPEAKER (Mr Ingram) — Order! The honourable member's time has expired.

Rail: Sandringham line

Ms ASHER (Brighton) — The issue I have is for the Minister for Transport. The action I am seeking of him is that he do what he is paid to do — that is, call in the operators of the Sandringham train line, Connex, and demand a program for improved service delivery for that line. There are significant problems on the Sandringham line. It is the worst line in the system and there is real anger felt by commuters — and yet the minister is doing nothing.

Let me illustrate to the minister some of the problems on this line. We have more cancellations than on any other line: in January, 57 cancellations — the highest of all lines; in February, 220 cancelled trains — the highest of all lines; in March, 66 cancellations — the second highest of all lines; in April, 97 — the highest; in May, 82 — the highest; and in June, 83 cancellations — again, the highest number of cancellations on any of the metropolitan lines. Under freedom of information the *Bayside Leader* found that last year 1353 trains were cancelled on our line, at double the average. This line receives massive taxpayer subsidies and the minister must manage his portfolio and rectify the situation.

There are some things that even this minister could deliver on — for example, accurate announcements. At Richmond station, after 9.00 a.m. you play a guessing game to work out which is the city loop train. It would be a very simple rectification to have an accurate announcement at Richmond. Similarly, at Flinders Street, with the concourse works — which are welcome — there are frequent changes of train lines, again with insufficient time for people to move from one platform to another. On Spencer Street there are insufficient announcements and, even worse, inaccurate and misleading announcements. Surely the minister can demand of Connex that we have accurate announcements for those train lines.

Furthermore, there is insufficient parking on Brighton Beach station, the end of zone 1. I request that the minister sit down with Connex and work out a sensible proposal for increased parking. Also, any local can tell you that Middle Brighton station floods every time there is a bit of rain, so there is a need for water pumping equipment there. There is no point waiting for the rain to cover the tracks, then cancelling the trains and then bringing in pumping equipment. Surely in 2005 we can have a plan for when a little rain covers the line. After all, in Europe they run trains through snow. I think we should be able to run trains through the rain on the Sandringham line. I call on the minister to do his job properly and deliver a better service.

Consumer affairs: credit

Mr ROBINSON (Mitcham) — I want to raise an issue this evening for the attention of the Minister for Consumer Affairs in another place. The issue relates to credit cards and the liquidated damages that are occasionally applied to account holders. I am seeking from the minister an undertaking that she will arrange for Consumer Affairs Victoria to investigate the claims which were recently made, which I want to relate to the house, and to make the necessary representations to, in this case, Diners Club.

The issue was actually raised by Terry McCrann, a well-known finance commentator, in the *Sunday Herald Sun* of 26 June this year. For the purposes of ensuring that I get his complaint as accurately as I can, I will quote from the article:

> For somebody supposedly financially astute, I have to admit to not reading that fine print. Although, in the case of Diners, you have to read the fine print within the fine print.

Terry McCrann was referring to a charge he had received, a hefty $365 charge, that had been applied in the form of liquidated damages. What surprised him was that this came six weeks after he had cancelled his Diners Club card. The article goes on to say:

> The payment on which Diners purported to hit me with $365 in 'liquidated damages' had been recorded, by them, as being received 17 days after the issue date of the statement.
>
> Their basic terms and conditions state that the late fee can be charged only if payment is not received by Diners by the 21st day after the statement issue date.

He is complaining that in fact he had paid it within 17 days of receiving the bill, and the fine print said that it would not apply these charges until 21 days after the statement was issued. The complexity arises because he had a linked frequent flyer card that had separate terms and conditions within the Diners Club system, and that card states that late fees could be charged after only 14 days. This seems to be the nub of the problem. The liquidated damages that were applied by Diners were, in this case, the greater of $30 or 3 per cent of the overdue amount. As he says in the article:

> The $30 doesn't sound too bad …

> The 3 per cent is a different matter. It's bad enough that it's a punishing 36 per cent annual rate — actually, closer to 43 per cent on a properly calculated annualised basis, as Diners charges late fees on late fees.
>
> …
>
> What Diners effectively did was to charge me penalty interest at a staggering 364 per cent rate. If my payment had been one day late — claimed by Diners to be one day late — the effective penalty interest rate would have been more than 1000 per cent!

There are tens of thousands of Victorians who have Diners Club cards who would be alarmed to understand that this is one of the implicit terms and conditions.

Mr Maughan — Some of us have chopped ours up.

Mr ROBINSON — That is probably very good advice, going on this article. I hope the minister can investigate it.

Motor vehicles: border anomalies

Mr JASPER (Murray Valley) — I raise a matter for the attention to the Minister for Transport. It relates to a border anomaly for the motor vehicle industry, and I declare from the outset my family's indirect interest in the General Motors Holden dealership at Rutherglen and Corowa. I have received representations from licensed motor vehicle dealerships in Albury bringing to my attention the difficulties they are experiencing with the transfer of motor vehicles for resale.

Prior to 30 June this year motor vehicle dealers on both sides of the border could transfer vehicles registered in the other state to their registered address for resale. In other words, a licensed motor vehicle dealer operating in Albury could purchase a Victorian-registered car from a person in, say, Wodonga and transfer that vehicle to their licensed address in Albury and the vehicle would be transferred to them. From 1 July, because of the changes in VicRoads online facilities for the handling of motor vehicle registration and transfers, the system has rejected any vehicle that is transferred to an address which is outside Victoria. Licensed motor vehicle dealers operating in New South Wales cannot transfer a vehicle registered in Victoria to their licensed address for resale. This is a serious situation which must be addressed immediately by the minister.

I have had discussions with senior representatives of VicRoads, who have informed me that the regulations do not allow the transfer of those vehicles to New South Wales addresses. It is an anomaly which has apparently been overlooked in the past, but since 1 July and the introduction of a computer online system the transfer of vehicles to licensed New South Wales motor vehicle dealers is being rejected.

The minister must act quickly, because we have now moved well into the new financial year. Representations have been made to me from a large number of dealers along the border bringing to my attention this particular difficulty. Of course it will apply to Victorian dealers wishing to obtain motor vehicles registered in New South Wales, but the effect has not severely impacted on the group of people operating in Victoria because apparently they do not have the same online computer system operating in New South Wales, or they have a system which accepts licensed motor vehicle dealers in another state as being able to transfer vehicles for resale.

I seek urgent corrective action from the minister to ensure that motor vehicle dealers operating along the border between Victoria and New South Wales can operate effectively by transferring vehicles from either state to their registered addresses.

Breakwater Road, Geelong South: bridge

Mr CRUTCHFIELD (South Barwon) — My issue is for the attention of the Minister for Transport, who seems to be very popular tonight — and I can tell members that he is very popular in South Barwon. The action I seek is for him to consider a study into a future location for a bridge linking Breakwater and Belmont. I would like to publicly thank the minister for his department's generosity in recent road funding announcements that have benefited South Barwon residents. The $400 million ring-road, millions of dollars of local road announcements and the current study into the Barwon Heads bridge linking Ocean Grove and Barwon Heads are just a few that I could name.

Previously in this place I asked for a funding upgrade to Breakwater Road between Princes Highway and Barwon Heads Road to the west. Recently the minister announced a $6.4 million boost for improvements to this intersection. The funding is to be used to replace the existing single-lane roundabout at the end of the intersection of Breakwater Road and Barwon Heads Road with traffic signals. It will also provide for four-lane, two-way roads on all the approaches to this intersection. The route is a critical east-west freight link. It is also a very popular transit route for daily commuters, and consequently the peak hours are very congested. This east-west link carries approximately 18 000 vehicles per day, including 12 000 commercial vehicles, but in the summer months this increases and on any warm Friday evening it is gridlocked.

The recent announcement has also been welcomed by the members for Bellarine and Geelong — I note the member for Geelong is presently in the house — whose residents also benefit greatly from improvements and safety in traffic flow at this critical intersection. However, whilst this dramatically improves the efficiency of the intersection in the short term, the medium-term issue of a bridge over the Barwon River linking Belmont and Breakwater needs to be resolved. The members for Bellarine and Geelong have joined with me in advocating successfully for improved traffic links in Geelong and are strongly supportive of further improvements. The southern east-west link will dramatically improve freight efficiency and I would welcome a VicRoads study to investigate feasibility of constructing a bridge over the Barwon River in the future. I am not suggesting for one moment that this is an easy fix — —

An honourable member interjected.

Mr CRUTCHFIELD — Not your bridge, my bridge. It is a medium-term issue. There are some differences of opinion about location of a future bridge and about the so-called merits and disadvantages of each. What is needed is a preliminary study into the feasibility, cost benefits and potential location of a future bridge. This will certainly allow a more informed debate on this issue. I would urge the minister's support for a VicRoads study into this important issue.

Responses

Mr BATCHELOR (Minister for Transport) — The member for South Barwon made an important request to commission a study into the possible alignment of a bridge across the Barwon River at Breakwater, which is part of his electorate. Together with other local members in the Geelong region, he has been discussing with me the importance of providing a suitable and satisfactory east-west connection that would provide an efficient link between the Princes Highway and the Bellarine Highway to the south of Geelong without having to go into the central business district itself.

As a direct result of these active local members in Geelong providing valuable input on behalf of their community, the Bracks government was able to make a $6.4 million announcement for improvements to the intersection of Breakwater and Barwon Heads roads and the connection of that intersection west across to the Princes Highway. This improvement forms part of a much bigger vision for a major east-west connection, not just from that intersection but over the Barwon River. This broader vision has already been identified by the freight industry as a vital link between the Breakwater industrial area over to the Princes Highway and the Surf Coast Highway.

This $6.4 million announcement not only addresses the issues of connectivity but will also benefit the community with its road safety issues. It will reduce traffic congestion and minimise the environmental impact of our road network and the freight vehicles that use it. This is all part of a much broader policy position that the government has adopted for improving freight connections. It is part of our metropolitan transport plan which identified these types of needs both in metropolitan Melbourne and in regional towns. We look forward to the work starting by the middle of next year.

The member for South Barwon asked me to look into that further vision to an option of examining possible alignments for a bridge across the Barwon River into the Breakwater industrial area, and as a government we understand its significance. We have started the project with the section between the Princes Highway and the upgraded intersection at Barwon Heads Road, but the section he is now talking about is between Barwon Heads Road and over the river. I will have a look at his suggestion. We are alive to its importance, and I will take it on board and get back to the member once we have made clear what we can do in respect of possible alignments.

The member for Murray Valley raised with me an important issue regarding vehicle registrations along the border between Victoria and New South Wales. As I understand it, the current legislation prohibits a transfer to an address outside Victoria. This is because, like all acts passed by the Parliament, the Road Safety Act relates to the jurisdiction of the state, and that is a constitutional limitation. However, the member for Murray Valley is correct: this limitation appears to impose some burdens on people buying and selling cars along the border area.

In some respects it places a bit of an unnecessary constraint on car dealers in the circumstances the member outlined to the house tonight. The reality is that resolution of this is probably going to require some legislative change. Whilst that is being worked through we will see if there are any temporary solutions that might be available in the interim, but in terms of providing certainty into the future VicRoads will be raising this matter at a meeting of the Austroads Registration and Licensing Taskforce meeting which will be held next week.

Austroads is the peak body of the state equivalents of VicRoads from all around Australia. It is made up of

the peak government licensing bodies in each of the states. This is the appropriate way to go, because we do not want to solve just half the problem in that legislative reform; we want to do it hand in hand with our colleagues in New South Wales. We are proposing that VicRoads not only take the matter up on behalf of the people in Victoria, but that it take it up at a national level so it can be addressed on both sides of the border. I thank the member for Murray Valley for raising this issue, and I hope we have a resolution to it as soon as we can.

The member for Rodney raised an issue with me about the certainty of road regulations relating to farm vehicles using the road network. I can inform the member that I will have this matter investigated and will try to have a resolution to the issue provided as soon as possible. I thank the member for raising it with me, and I thank the Australian Grain Harvesters Association for raising it with the member for Rodney, thus bringing it to my attention in the house tonight.

I will have the matter looked at. I am not aware of the details other than as they have been described to me by the member for Rodney, but I can assure him that the government appreciates the contribution that members of the farming community make to the Victorian economy, and we want them to continue to make that contribution and go about their normal, productive effort while we seek to have the matter clarified as soon as possible.

The member for Brighton raised with me, in a somewhat shrill way — —

Ms Asher — Passionate!

Mr BATCHELOR — Shrill — there was no passion in it at all. The member for Brighton is about as passionate as Selma Bouvier.

Honourable members interjecting.

Mr BATCHELOR — You do not know who Selma Bouvier is? The member for Scoresby knows who Selma is. You prefer Patty? He prefers Patty, I think.

The ACTING SPEAKER (Mr Ingram) — Order! The Minister for Transport, through the Chair.

Honourable members interjecting.

Mr BATCHELOR — We take the standard of service on our train network really seriously. This government — unlike the previous government — has implemented a series of strict operational performance standards as part of the requirements imposed on the companies that operate our transport system, and they relate equally to Connex and to Yarra Trams, the operator of the tram system. Operators can receive an incentive payment for good performance or a fine for poor performance. They are received or required on a quarterly basis.

Unfortunately for the people of Melbourne and the commuters on the Sandringham line, Connex has experienced this as outlined by the member for Brighton. There have been some difficulties, and accordingly Connex received fines of $7.38 million for the June quarter 2005. Where Connex has been failing to meet those performance standards, it has been incurring a very hefty and substantial fine. This, unfortunately, represents an increase in penalties for Connex over the figure for the January to March quarter of this year, where in that period fines amounted to $3.73 million. These are substantial amounts, and in essence they reflect the government's complete dissatisfaction with the level of service that was provided during those periods.

Mr Mulder interjected.

Mr BATCHELOR — The member for Polwarth interjects that we set up this regime of fining for bad performance, and that is true. That is in stark contrast to the way the previous government allowed the public transport system to operate.

Honourable members interjecting.

The ACTING SPEAKER (Mr Ingram) — Order! Honourable members should cease interjecting across the chamber and allow the minister to conclude his responses.

Mr BATCHELOR — Connex has had to deal with a number of difficult operational issues in the last couple of months, and some of those have been outside its control. They include the restoration works being undertaken at Flinders Street station — the destination of the Sandringham train line — where we are spending, if my memory serves me well, $13 million to improve the support structure for the station. That work is currently under way; it is ongoing and it has an impact on the reliability of train services. We also have work under way at Spencer Street station. This work also has an impact on the network which reverberates back through other lines and parts of the network. We had the impact of the strike by signallers, when industrial action was taken. This had a huge impact, not only on the Sandringham line but also on other lines. Also, there was the flooding in the Metrol control room.

Nevertheless we are saying to Connex that there are high standards. We have increased those standards for Connex, and we expect Connex to meet them. The travelling public can be assured that where Connex does not it will suffer very heavy penalties. We would rather not be issuing fines. We would rather Connex be providing an improved and better service. But it is the issuing of these fines that will motivate Connex to deliver the sorts of service that the people who use the Sandringham line expect, as does the government.

Despite all of these issues it is important to note that Connex has improved the reliability of its services. It has reduced the number of cancellations from 1.9 per cent in the period April to June 2004 to 1.2 per cent in the period April to June 2005. As I said earlier, ideally the government would prefer not to be fining any of our transport operators; we would rather have the services run to schedule and on time. It is that objective we will be seeking to have Connex meet. We will keep working with Connex to try to improve these performances and build a better public transport system for everybody.

The member for Polwarth raised with me the issue of speed zones and the changes in speed zones and the decision of the government to conduct — —

Mr Mulder interjected.

Mr BATCHELOR — Yes, the government is run by the Premier. It was a decision by the Premier to review the guidelines for individual speed lines and to review how they are applied across the road network.

We have seen under this government the introduction of a number of road safety initiatives such as the 50-kilometre-per-hour default speed limit, lower speed limits around our schools and lower speed limits around shopping centres both in metropolitan and in country Victoria. All these initiatives, which are widely supported and are very popular, are under direct threat by what is being said by the Liberal Party here.

Every parent who has a child at a school in Victoria must understand that the Liberal Party policy threatens the new lower speed safety zones around our schools. Every country shopping centre, every retailer and every person who goes into a country shopping centre knows the Liberal Party wants to have cars and trucks going through those centres at 100 kilometres per hour. Every person who visits their local shopping centre — —

Honourable members interjecting.

The ACTING SPEAKER (Mr Ingram) — Order! Will honourable members assist the Chair in maintaining a sensible debate.

Honourable members interjecting.

The ACTING SPEAKER (Mr Ingram) — Order! Will honourable members assist the Chair in keeping this — —

Mr Mulder interjected.

The ACTING SPEAKER (Mr Ingram) — Order! The member for Polwarth!

Mr BATCHELOR — Every person who goes to their local shopping centre and appreciates the improved road safety outcomes of the lower speed zones has to understand that those improvements we have put in place, which have led to a 40 per cent reduction in the deaths of pedestrians on our road network, are at threat. The Liberal Party, as evidenced by the member for Polwarth tonight, is about reversing all the good this government has done over the last three years.

We introduced the Arrive Alive strategy, and it is working. For the last two years in a row we have produced the lowest road tolls on record, and this year we are proceeding to produce either the second lowest or the third lowest. This is a hat-trick of success for reducing the road toll, an achievement not seen by any previous government. It is a fantastic outcome.

Mr Mulder — On a point of order, Acting Speaker, firstly, the issue I raised with the minister relates to potential compensation; secondly, I raised the issue of whether or not the minister was prepared to apologise to motorists whom he had confused with his speed zones; and furthermore, he has raised a matter in relation to the Liberal Party. It is not the Liberal Party that is questioning his speed zones, it is the Premier who has ordered the review. The minister has been overruled — he has been gagged and told to shut up.

The ACTING SPEAKER (Mr Ingram) — Order! There is no point of order.

Mr BATCHELOR — The member for Polwarth demonstrates just how sensitive the Liberal Party is and how it wants to undermine road safety initiatives. We know there are lots of communities that would like to see these initiatives put in place. They must fear the election of a Liberal government, because they would never see these sorts of road safety initiatives implemented.

What we are seeking to do is conduct a review which will consider how to best minimise the changes in speed limits and ensure that speed limits are adequately signed so that motorists are aware of the appropriate

speed zones, particularly around schools and shopping centres. I can say to the member for Polwarth that no-one has been fined in these areas who has not broken the law. The only people who have got into trouble are those who have ignored the speed limits and broken the law. That is the policy of this government, unlike the Liberal Party, which wants to remove these road safety measures.

I say to every person in Victoria that it would be an absolute disaster if the Liberal Party were to get in. It would turn back the clock, and more people would die on Victorian roads as a result of the sorts of policies that are being enunciated by the Liberal Party tonight in this chamber.

Mr Plowman — We're not enunciating any policies.

Mr BATCHELOR — Let the record show, Acting Speaker, that the member for Benambra woke up and said they were not enunciating any policies.

The ACTING SPEAKER (Mr Ingram) — Order! The honourable minister should not take up interjections.

Mr BATCHELOR — He must not have heard what the member for Polwarth said.

The member for Geelong raised a matter for the Minister for Manufacturing and Export.

The member for Bayswater raised a matter for the Premier.

The member for Scoresby raised a matter for the Minister for Police and Emergency Services.

The member for Derrimut raised a matter for the Minister for Commonwealth Games in the other place.

The member for Mitcham raised a matter for the Minister for Consumer Affairs in the other place. I will make sure all matters are referred to those ministers.

The ACTING SPEAKER (Mr Ingram) — Order! The house is now adjourned.

House adjourned 10.51 p.m.