PARLIAMENT OF VICTORIA

PARLIAMENTARY DEBATES (HANSARD)

LEGISLATIVE COUNCIL

FIFTY-FOURTH PARLIAMENT

FIRST SESSION

5 December 2001

(extract from Book 10)

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By authority of the Victorian Government Printer

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The Lieutenant-Governor

Lady SOUTHEY, AM

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Minister for Sport and Recreation, Minister for Youth Affairs and Minister assisting the Minister for Planning	The Hon. J. M. Madden, MLC
Minister for Gaming, Minister for Major Projects and Tourism and Minister assisting the Premier on Multicultural Affairs	The Hon. J. Pandazopoulos, MP
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Privileges Committee — The Honourables W. R. Baxter, D. McL. Davis, C. A. Furletti, M. M. Gould and G. W. Jennings.

Standing Orders Committee — The Honourables the President, G. B. Ashman, B. W. Bishop, G. W. Jennings, Jenny Mikakos, G. D. Romanes and K. M. Smith.

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Family and Community Development Committee — (*Council*): The Honourables E. J. Powell, G. D. Romanes and J. W. G. Ross. (*Assembly*): Mr Hardman, Mr Lim, Mr Nardella and Mrs Peulich.

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Public Accounts and Estimates Committee — (*Council*): The Honourables D. McL. Davis, R. M. Hallam, G. K. Rich-Phillips and T. C. Theophanous. (*Assembly*): Ms Barker, Mr Clark, Ms Davies, Mr Holding, Mr Loney and Mrs Maddigan.

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FIFTY-FOURTH PARLIAMENT — FIRST SESSION

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Hadden, Hon. Dianne Gladys	Ballarat	ALP	Thomson, Hon. Marsha Rose	Melbourne North	ALP

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WEDNESDAY, 5 DECEMBER 2001

Wednesday, 5 December 2001

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

QUESTIONS WITHOUT NOTICE

Electricity: supply

Hon. PHILIP DAVIS (Gippsland) — I direct my question to the Minister for Energy and Resources. Twice last year the government took no action until after electricity blackouts occurred. This summer will the minister proclaim the emergency provisions of the Electricity Industry Act if it appears an event is about to occur which may cause blackouts?

Hon. C. C. BROAD (Minister for Energy and Resources) — The honourable member asked essentially the same question yesterday. I explained in my answer that if he cares to examine the legislation he will find that it very clearly specifies that emergency powers can be enacted in relation to a threat to electricity supplies. There is no such threat. There was no threat yesterday. There is no threat today. The government is very pleased that the discussions yesterday have not led to any threat to Victoria's — —

Honourable members interjecting.

The PRESIDENT — Order! The Honourable Philip Davis has asked the minister a question and the minister is responding. I ask both sides of the house to settle down and allow the minister to complete her reply. Just keep quiet!

Hon. C. C. BROAD — I appreciate that the opposition is very disappointed that there is no threat to Victoria's supply and that it would like to see a threat to Victoria's supply. The fact is there is no threat to Victoria's supply, and as a result there is no call to enact any emergency powers.

Industrial Relations Victoria: business development unit

Hon. E. C. CARBINES (Geelong) — The Minister for Industrial Relations has previously advised the house of the business development unit within Industrial Relations Victoria. Will the minister inform the house today whether the activities of this part of her department are consistent with those of the federal government as outlined in its recent report *India: New Economy, Old Economy*?

The PRESIDENT — Order! I am just wondering how that relates to state government administration.

Hon. M. M. GOULD (Minister for Industrial Relations) — Mr President, it is to do with my department, which is involved in business development in this state.

As I have indicated to the house, the business development unit of Industrial Relations Victoria (IRV) was established to promote the positive aspects of industrial relations to Victoria's potential and existing investors. As I have said many times, one of the sad failures of the previous government was its complete neglect of information provision for employers about industrial relations. My guess is that the former Kennett government's view on industrial relations when investors came into this state would have been to say to them, 'Unions are not an issue in this state. We do not worry about unions. Do not worry about them, we will just avoid them'. I am sure that is the attitude of the opposition. I am sure it would have said, 'Unions are bad, just avoid them'. That is not exactly the case. It is not the appropriate positive step that is needed to encourage a cooperative workplace in the large investment sector.

The business development unit of the IRV has been set up, and its task is to promote the Bracks government's commitment to a progressive industrial relations climate. The unit provides critical assistance to new investors and makes it easy for them to get advice about — —

Honourable members interjecting.

The PRESIDENT — Order! I ask the Leader of the Opposition and Mr Bob Smith to keep quiet, keep out of it and allow the minister to answer.

Hon. M. M. GOULD — The unit enables those investors to get the critical advice they require about industrial relations and the framework that operates in this state. This obviously helps to ensure we continue to grow the whole of the state and provide high-quality jobs in Victoria.

I am pleased to advise the house that this approach bears absolutely no resemblance to the attitude taken by the Howard government in its new report *India: New Economy, Old Economy*. That report, released this week, suggests that a good reason for investing in India is low wages and increasing labour market flexibility. That is what the opposition is all about; that is what its federal colleagues are all about.

In contrast to that this government believes a good reason to invest in this state is that we have a commitment to the partnership in industrial relations, because research shows that where you have a cooperative workplace it increases productivity and increases the profitability of the company. IRV, unlike the federal government, is committed to attracting high-quality jobs to this state. We are committed to a positive approach, in stark contrast to what the federal government is doing.

Minister for Industrial Relations: performance

Hon. M. T. LUCKINS (Waverley) — I refer the Minister for Industrial Relations to comments by Electrical Trades Union state secretary, Dean Mighell, stating that he had no confidence in the Minister for Industrial Relations and that state government projects, including the Commonwealth Games — —

Honourable members interjecting.

The PRESIDENT — Order! The house wants to hear the question from the Honourable Maree Luckins, and I ask everyone to hold their tongues until she has finished.

Hon. M. T. LUCKINS — I refer the Minister for Industrial Relations to comments by Electrical Trades Union state secretary, Dean Mighell, stating that he had no confidence in the Minister for Industrial Relations and that state government projects, including the Commonwealth Games, and power supplies are at risk because of her failures. Given the minister's untenable position, will she put an end to the sham and formally hand full control of negotiations with unions to the de facto minister, Tim Pallas, in the Premier's office?

Hon. M. M. GOULD (Minister for Industrial Relations) — That is an outrageous question, and the answer is no.

Consumer affairs: payday lending

Hon. JENNY MIKAKOS (Jika Jika) — Given the Bracks government's commitment to protecting the rights of Victorian consumers, can the Minister for Consumer Affairs update the house on payday lending?

Hon. M. R. THOMSON (Minister for Consumer Affairs) — I thank the honourable member for her question. Honourable members will be aware that last year the issue of payday lending was publicised quite widely throughout Victoria. Payday lending, for honourable members who have forgotten, involved consumers going into what looked like a bank — it might even have been a bank which has been vacated — where they were offered loans for short periods. They had to sign a contract without knowing what interest rate was being charged or what fees would be charged on top of that, and in many instances people were paying exorbitant interest rates. The Bracks government was very concerned about the development of payday lending in this state, and I took this issue to a ministerial council meeting of consumer affairs ministers.

The uniform credit code operates out of Queensland, and in August amendments to the credit code were made by the Queensland Parliament to crack down on payday lending. The regulations have now been developed around those amendments, and they will come into effect on 10 December. Under the uniform credit code this will automatically mean that the regulations apply in Victoria through our own Consumer Credit Code Victoria Act 1995. What we will now see is that loans from $50 upwards will be covered under the code, whereas before only $200 or more was covered by the code. Now loans of $50 or more will either be covered under the amendments or the regulations that have been made. This will mean that Victorian payday lenders will be subject to extensive disclosure obligations and will be required to register as credit providers. They will also be required to give consumers information on the total cost to be charged before they enter into any loan contracts.

Victorian consumers have the added protection of the 48 per cent annual interest rate cap under consumer credit requirements. The Bracks government believes it is important to protect its consumers, particularly the most vulnerable, and it is committed to doing so. We will continue to monitor payday lending and to ensure that the regulations require people to comply with the credit code and with its spirit and that any unscrupulous payday lenders out there are drummed out of business.

Mining: open cut

Hon. P. R. HALL (Gippsland) — My question is directed to the Minister for Energy and Resources. During the debate on the Mineral Resources Development (Amendment) Bill in November last year, at the National Party's insistence the minister committed to a review into the rehabilitation of agricultural land after open-cut mining. I ask the minister to inform the house whether that review has been undertaken, and if so what are the outcomes?

Hon. C. C. BROAD (Minister for Energy and Resources) — The honourable member is correct; I did commit to that review, and that work has been undertaken by the department. I will be very pleased to

seek that information and provide it to the honourable member. I do not have it to hand, but the commitment entered into at that time has certainly been pursued.

Hon. P. R. Hall — So it has been completed?

Hon. C. C. BROAD — I am not saying it has been completed, but I will be very pleased to provide information as soon as possible to the honourable member on progress on that commitment, which is certainly being honoured.

Young Australian of the Year awards

Hon. D. G. HADDEN (Ballarat) — I ask the Minister for Youth Affairs to advise the house how outstanding young Victorians are being recognised for their participation and contribution within their communities.

Hon. J. M. MADDEN (Minister for Youth Affairs) — Recently I had the good fortune and privilege to attend the National Australia Day Council Victorian chapter's Young Australian of the Year awards ceremony, which included the Victorian Young Achiever of the Year award. It is part of a set of national awards that take place around the country in each state to highlight the significant contributions of young people in our community. The awards are very important for a number of reasons. Not only do they provide role models for young people to aspire to and align themselves with but they also allow the media to focus on the positive achievements of young people.

I often speak about the fact that the media sometimes portrays young people as problematic, and they were the perceptions of the former government, but these awards are particularly significant because they celebrate the contribution of young Victorians.

The seven finalists have succeeded in categories that include the arts, sports, regional initiatives, the environment, community service, science and technology, and career achievement. I want to name those winners so we recognise their contributions. Liwei Qin of Carnegie won in the arts category; Tamsyn Lewis of Kew won the sports award; Lucas Drew of Lilydale won the community service award; Ian Moore of Gisborne won the career achievement award; Kara Britt of Malvern won the science and technology award; in the environment area Sheree Marris of Elwood won the award; and Tanya Bruty of Snake Valley won the regional initiative award.

The most impressive thing about these young people was their level of commitment, their dedication and the hard work they put into each of their respective areas. The overall title of Victorian Young Achiever of the Year for 2002 was Sheree Marris, who was a deserving winner, particularly in the way in which she committed herself to educating people about the marine environment.

On behalf of the Victorian government and the Parliament, I congratulate those young people, their parents, their teachers, their colleagues and their supporters for their outstanding contributions within their respective fields. I wish all the winners well in representing Victoria in the national awards to be announced in January.

Employment: youth

Hon. I. J. COVER (Geelong) — I am very pleased to hear that the Minister for Youth Affairs is so interested in the affairs of young people, and I direct my question to him. Recent Australian Bureau of Statistics figures show an alarming increase in teenage unemployment, from 15.9 per cent in October 2000 to 23 per cent in October 2001. What programs has the minister implemented to address this crucial issue for young Victorians?

Hon. J. M. MADDEN (Minister for Youth Affairs) — The government is making an outstanding contribution to young people in this state in committing an enormous amount of funds across a number of portfolio areas, particularly in relation to apprenticeships and training, education and post-compulsory education.

It should be appreciated that the government has made a significant commitment to young people through education so they will have a future and so they can train and make sure they are engaged in areas of the new economy. These education needs were ignored not just by the federal government but the former Kennett government.

It should also be appreciated that the government has an absolute and continuing commitment to young people and endorses future opportunities, not like the previous government, which saw young people as problematic and located all its youth issues in the Department of Human Services.

Hon. Bill Forwood — Problematic!

Hon. J. M. MADDEN — Problematic perceptions that the media likes to reinforce and which the previous government reinforced. The government is committed to growing the whole of the state for all age groups and will continue with that commitment.

Electricity: energy efficiency

Hon. R. F. SMITH (Chelsea) — I address my question to the Minister for Energy and Resources. In light of the increased use of airconditioning, will the minister advise the house what action the Bracks government is taking to contain the growth in electricity demand for airconditioning?

Hon. C. C. BROAD (Minister for Energy and Resources) — I am pleased to advise the house that the Bracks government recently amended the Electricity Safety (Equipment Efficiency) Regulations under the Electricity Safety Act to introduce minimum energy performance standards for three-phase airconditioners, which are commonly used in commercial and large residential buildings.

As much as 30 per cent of electricity use in Australia is consumed by the motors which power these types of airconditioners. The standards will also apply to three-phase motors that are commonly used for conveyor belts and elevators. The new regulations will result in significant benefits not just for reduced energy use, but reduced greenhouse gases and, importantly, reduced energy costs to consumers. Estimates provided through the national regulatory process suggest that Victorians could save as much as $100 million over the next 15 years under these new standards.

I take this opportunity to acknowledge the contribution of industry regulators, including the Office of Chief Electrical Inspector and energy stakeholders, who worked together to ensure these regulations could be introduced across different jurisdictions at the same time. Victoria's major manufacturers and suppliers of three-phase motors, including companies such as Brook Crompton and Invensys, have supported this initiative and they see the benefits that are being provided through reduced energy use and the cost of their products.

The implementation of these standards has gone very smoothly and several large suppliers in Victoria are very satisfied with the systems that have been put in place to administer the approval of appliances under these new standards. The Bracks government will continue to promote the efficient use of energy in order to reduce energy demand, reduce energy costs and address our environmental responsibilities. This contrasts with the previous Kennett government, which slashed the budget of Energy Efficiency Victoria. It has taken the Bracks government to set up the Sustainable Energy Authority with a budget commensurate with its important responsibilities in this area.

Australian Football League: grand final tickets

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — I refer my question to the Minister for Consumer Affairs. On 25 September this year, in response to a question about ticket scalping, the minister said:

> If we discover that tickets are being sold well beyond their recommended retail price, action will be and is taken on those matters.

The very week the minister made that statement the newspapers carried pages and pages of grand final tickets at inflated prices. How many of those cases have been investigated and what action has the minister taken?

Hon. M. R. THOMSON (Minister for Consumer Affairs) — In relation to ticket scalping, the Minister for Sport and Recreation and I have discussed possible legislative requirements that we will need to bring into Parliament — —

Honourable members interjecting.

The PRESIDENT — Order! Both sides of the house are drowning out the minister. I ask the minister to continue.

Hon. M. R. THOMSON — In the past the opposition has failed to support these legislative requirements in this Parliament. Opposition members will be given another opportunity to support the government on the issue of scalping and it will look forward to their support.

Hon. G. K. Rich-Phillips — On a point of order, Mr President, my question to the minister did not relate to future legislative action that the government may or may not take. It related to the minister's statement that if she became aware of ticket scalping she would take action. Given that she is aware of ticket scalping, what action has she taken?

The PRESIDENT — Order! I understood the statement made by the minister on 25 September to mean that she was contemplating some enforcement action in respect of any proven cases of scalping. The minister has indicated to the house that there is some contemplation of future legislation. This does not answer the question. I give the minister the opportunity to directly answer that question.

Hon. M. R. THOMSON — In relation to the answer I gave, I indicated that legislative action would be required. We are investigating scalping. We have talked about investigating scalping and legislative action that will be required.

Torquay Primary School

Hon. KAYE DARVENIZA (Melbourne West) — I refer my question to the Minister for Sport and Recreation. In order to boost participation in sport and recreation, what steps has the Bracks government taken to ensure that community facilities are more accessible to all Victorians?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — Last Friday I had the pleasant duty to participate in the official opening of the indoor multipurpose stadium at Torquay Primary School. I congratulate the local member for the area, the Honourable Elaine Carbines, for her commitment to ensuring that that facility was supported by this government. It is a tremendous outcome. We encourage the strategic location of sporting facilities so that they can be used to optimum levels in respective communities to facilitate grassroots participation.

It is a tremendous development because the facility can be used continually by the school. After being open for only a few weeks it has already been used by the Surf Coast Shire for basketball, netball and mixed volleyball competitions.

One of the great things about the facility is that it also doubles as a much-needed performance space for drama groups and schools in the Torquay area. The stadium is a great meeting place and it will develop the community links to which sport and recreation so profoundly contribute.

The cost of the project was more than $1 million with commitments from not only the Torquay Primary School and the Surf Coast Shire, but from Sport and Recreation Victoria. The families in this growing region in Victoria no doubt appreciate the significance of the government's contribution to building infrastructure in those developing suburbs and in the outer urban fringe areas.

In conclusion I congratulate all the people who have been involved in the funding, planning and delivery of the project, in particular Sport and Recreation Victoria; the Department of Education, Employment and Training; the Surf Coast Shire and the Torquay Primary School. Again, the project represents the Bracks government's commitment to growing the whole of the state.

ECONOMIC DEVELOPMENT COMMITTEE

Export opportunities for rural industries

Hon. N. B. LUCAS (Eumemmerring) presented report.

Laid on table.

Ordered to be printed.

ENVIRONMENT AND NATURAL RESOURCES COMMITTEE

Fisheries management

Hon. E. G. STONEY (Central Highlands) presented report, together with appendices and minutes of evidence.

Laid on table.

Ordered that report and appendices be printed.

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Annual report

Hon. R. M. HALLAM (Western) presented report for 2000–01, together with appendices.

Laid on table.

Ordered to be printed.

PAPERS

Laid on table by Clerk:

Alexandra and District Ambulance Service — Minister for Health's report of receipt of the 2000–2001 report.

Colac Community Health Service — Report, 2000–2001.

Djerriwarrh Health Service — Report, 2000–2001.

O'Connell Family Centre — Minister for Health's report of 3 December 2001 of receipt of the 2000–2001 report.

Pharmacy Board of Victoria — Report, 2000–2001.

Statutory Rules under the following Acts of Parliament:

County Court Act 1958 — Nos. 122, 123 and 124.

Lotteries Gaming and Betting Act 1966 — No. 126.

Marine Act 1988 — No. 127.

Victorian Qualifications Authority Act 2000 — No. 128.

Water Industry Act 1994 — No. 125.

Subordinate Legislation Act 1994 — Minister's exception certificates under section 8(4) in respect of Statutory Rules Nos 122 to 124.

SELECT COMMITTEE ON THE URBAN AND REGIONAL LAND CORPORATION MANAGING DIRECTOR

Establishment

Hon. BILL FORWOOD (Templestowe) — I move:

(a) That a select committee of five members be appointed to inquire into and report upon any matters relating to the selection, appointment and resignation of Mr Jim Reeves as managing director of the Urban and Regional Land Corporation, together with any involvement of external agencies and consultants.

(b) That the committee shall consist of two members nominated by the Leader of the Government, two members nominated by the Leader of the Opposition and one member nominated by the Leader of the National Party.

(c) That the members shall be appointed by lodgment of the names with the President by the leaders no later than 4.00 p.m. on Thursday, 6 December 2001.

(d) That the first meeting of the committee shall be held at 10.30 a.m. on Friday, 7 December 2001.

(e) That the committee may proceed to the dispatch of business notwithstanding that all members have not been appointed and notwithstanding any vacancy.

(f) That the committee shall elect a deputy chairman to act as chairman at any time when the chairman is not present at a meeting of the committee.

(g) That three members of the committee shall constitute a quorum.

(h) That the committee may send for persons, papers and records.

(i) That the committee may authorise the publication of any evidence taken by it in public and any documents presented to it.

(j) That reports of the committee may be presented to the Council from time to time and that the committee present its final report to the Council on or before 31 May 2002.

(k) That the presentation of a report or an interim report of the committee shall not be deemed to terminate the committee's appointment, powers or functions.

(l) That the committee shall, unless it otherwise resolves, take all evidence in public and may otherwise sit in public at any time if it so decides.

(m) That the foregoing provisions of this resolution, so far as they are inconsistent with the standing orders and practice of the Council, shall have effect notwithstanding anything contained in the standing orders.

The effect of the motion is to establish a select committee of the Council to inquire into all matters relating to the selection, appointment and resignation of the Premier's mate, Mr Jim Reeves, as the managing director of the Urban and Regional Land Corporation (URLC).

The motion before the house today is here for two reasons: first, the people of Victoria are entitled to know the truth behind this sorry saga. The people of Victoria are entitled to know the sequence of events, the causes of the events and the people behind the events that led to a very strange affair. The people of Victoria are entitled to know how come the Urban and Regional Land Corporation proposed to appoint a South Australian planning expert, Mark Henesy-Smith, to the position of managing director. They are entitled to know the real reasons why the government did not accept the board's choice. After all, the board had undertaken a proper process to find the best person for the job. The people of Victoria are entitled to know why the government effectively — —

Hon. J. M. Madden interjected.

Hon. BILL FORWOOD — Dear, oh, dear. We will get to the issue of consultation soon enough. The minister obviously does not understand how the act works. He is the Minister assisting the Minister for — —

Honourable members interjecting.

Hon. BILL FORWOOD — I can see, Mr President, that we are going to have a lively time today. What has become apparent very quickly is that the Minister assisting the Minister for Planning has no understanding of the Urban and Regional Land Corporation Act and is just displaying as usual his ignorance to the house.

The PRESIDENT — Order! Interjections are always disorderly, but when they are totally unrelated to the motion they are not allowed, so I ask the honourable member not to persist on that line.

Hon. BILL FORWOOD — The people of Victoria are entitled to know why this government effectively relieved the board of its statutory responsibilities in relation to filling the chief executive officer's position by establishing its own panel of departmental heads, which led inevitably to the government forcing

Mr Reeves on the URLC and ultimately led to the resignation of the deputy chairman of that organisation. The people of Victoria are entitled to know why these events occurred and who ultimately was responsible for them.

The second reason this motion is being debated today is that this government did not act to clear the air, did not itself set up a mechanism — for example, an independent judicial inquiry which would have enabled the truth to come out — which would have enabled the people of Victoria to judge for themselves the appropriateness or otherwise of the actions of the Premier, the actions of the Deputy Premier, the actions of the Treasurer, the actions of Professor Neilson, the head of the Department of Infrastructure, the actions of Terry Moran, the head of the Department of Premier and Cabinet, the actions of Grant Hehir, the acting head of the Department of Treasury and Finance, and of course the board of the URLC.

The second reason this is being established is so that the people of Victoria have an opportunity to judge for themselves whether or not the process of filling the job for which the Urban and Regional Land Corporation in its submission to the government of 4 July, said the total remuneration package (TRP) was in the range of $225 000–$295 000 plus a maximum bonus opportunity of 20 per cent of TRP, which calculates out to $354 000 a year. Victorians are entitled to know whether this has been an appropriate process.

Hon. G. W. Jennings interjected.

Hon. BILL FORWOOD — Absolutely! We will hear your contribution but absolutely it is. Make no mistake — the motion is before the house today because the government refused to establish its own judicial inquiry. An offer was made by the Leader of the Opposition in the other place, an offer was made by me by way of interjection when giving notice of this motion last Thursday and an offer was also given by me in a letter to the Premier yesterday. If the government had called an independent judicial inquiry this motion would not have proceeded today.

I wish to make clear another point. This select committee is not about Jim Reeves. He is as entitled to apply for a job and move to Melbourne if he so wishes as anybody. This select committee is about process, integrity and the credibility of a government which claims to be open, honest and accountable but which in fact is crook. It is a government that is sneaky and deceitful. It says one thing in public but does something completely different in private.

I will give honourable members one minor example in this sordid tale. The government is the master of the press release; it announces everything. Anyone can go to the media releases in the Department of Premier and Cabinet and see them on the web site. They are all there.

Hon. I. J. Cover — Not this one!

Hon. BILL FORWOOD — Not this one, Mr Cover. There is something about this appointment. Why was it not on the web site? What has the government got to hide? Ewin Hannan in his very sensible article entitled ‘No longer lilywhite’ states:

> Until nine days ago, the government had not spoken a word of these events. The appointment of Reeves was announced via a press release from the corporation that was sent to a group of property writers, avoiding mainstream political reporters.
>
> Despite Thwaites being so excited about the potential of Reeves for Melbourne’s urban redevelopment, the publicity-keen minister did not announce it, publicly acknowledge the appointment or issue a press release through his office.

Nor has one yet been listed by him.

There is nothing open, honest or accountable about this announcement. This dead-of-night announcement is designed to disguise and avoid notice rather than to applaud a top decision or a top appointment. Why is that the case? Because they knew it was a sham, but they thought they just might get away with it. It was a sham, and they knew it. So much for open, honest and accountable government. What hollow words!

Under paragraph (h) of this motion the select committee will have the capacity to send for persons, papers and records — it has the capacity to follow rabbits down burrows. For example, the select committee has the capacity to inquire into the part played by Professor Neilson. The few public documents that have been released by the government raise more questions than they answer, but they indicate that Professor Neilson had a big hand in what happened.

If you look at the documents released by the government you will find that the briefing to the Minister for Planning in the other place by Professor Neilson, dated 18 September, states under point 5:

> Six candidates were originally selected following an executive search process. Following discussions with the chairman URLC I was invited to join the interview panel for these candidates.

This is in code to say that Professor Neilson got himself invited onto the panel. If you look at the response from the URLC you will see it has a very different interpretation of that event. The chairman of the URLC, Marek Petrovs, wrote to the minister on 17 August. His letter states, in part:

> (As you will be aware —

in brackets, mind you —

> by invitation, Lyndsay Neilson was present at all interviews conducted by the subcommittee of the board.)

He makes the point, quite rightly, that under clause 6 of schedule 1 of the act the responsibility is with the board. But Professor Neilson decided he wanted to ride shotgun; he wanted to be there, so he got himself invited as an observer, and he later tries to parlay his position into being a member of the panel.

On 4 July the deputy chair, Angie Dickschen, who later resigned, wrote to the minister seeking the appointment of, as we know, Mark Henesy-Smith. By 17 August there had been no reply, and it is important to put on the record that in a letter of 17 August to the Minister for Planning Mr Petrovs said:

> I refer to our letter of 4 July and note we have not yet received a response.
>
> The board of the URLC considers that it has gone through the proper process in relation to selecting the proposed chief executive of the URLC. A copy of the paper to the board which was considered at its meeting of 27 June 2001 is enclosed which describes the process.
>
> At its meeting of 27 June the board resolved:
>
> 1. to accept the recommendation of the subcommittee of the board that subject to satisfactory reference checks and consultation with the minister that —

the name is blanked out, but we now know it is Mr Henesy-Smith —

> be the board's approved candidate for the position of chief executive officer on terms and conditions to be finalised; and
>
> 2. that the deputy chairman be authorised to write to the minister and the Treasurer informing each of the proposal to appoint … under clause 6 of schedule 1 to the Urban and Regional Land Corporation Act.

That clause is very specific. It states:

> The board of URLC, after consultation with the Minister and the Treasurer, may appoint a person as the chief executive officer of URLC.

That makes it very clear that the responsibility belongs to the URLC. It is also very clear in section 14(5) of the act where under the heading 'Duties of directors' it says:

> This section has effect in addition to, and not in derogation of, any Act or law relating to the criminal or civil liability of a member of the governing body of a corporation and does not prevent the institution of any criminal or civil proceedings in respect of such a liability.

That section says that the board of this corporation needs to act according to the Corporations Law. It needs to act in a proper manner and it did but its process was subverted by the government. The select committee will have the capacity to get to the bottom of how and why this occurred. Mr Petrovs goes on:

> I have been informed by Lyndsay Neilson that it is proposed to reinterview a select number of candidates previously interviewed by the board subcommittee. The board has no knowledge of the basis upon which those candidates were chosen for reinterview. I understand that you have nominated an interview panel consisting of Lyndsay Neilson, Department of Infrastructure, Terry Moran, Department of Premier and Cabinet, and Grant Hehir from the Department of Treasury and Finance. (As you will be aware, by invitation, Lyndsay Neilson was present at all interviews conducted by the subcommittee of the board.)
>
> I also understand that these interviews have been arranged directly with each candidate without the involvement or knowledge of the board's executive search consultants which I consider given the confidential nature of an executive search process is highly inappropriate.
>
> The board does not consider the proposed reinterview process is consultation and is not in accordance with the act. Accordingly, the board does not endorse this process and my presence at the interviews will be solely as an observer and is not to be taken as an endorsement of the process.

I make the point that the copy we have been given is very difficult to read. He concludes:

> The board awaits your response before making any further decisions in relation to this matter.

We know Professor Neilson got himself into the original interviews. Professor Neilson wrote the memo of 3 August to the Minister for Planning recommending reinterviews and nominating the three people who should be on the interview panel — himself, Terry Moran and Grant Hehir. It is only that the minister then adds to bottom of that document in handwriting:

> Please include chair of ULRC —

he probably means URLC —

> on interview panel.

That note is signed by John Thwaites. What happened? The government decided to forget about the statutory responsibility of the board of the URLC and set up its own panel to put its own candidate in this position. It is

an absolute sham! The point about this is Professor Neilson played a leading role in this sorry affair and the select committee will have the capacity to inquire into whether anybody instructed, perhaps guided, Professor Neilson in his actions and, if so, who was that person or who were those persons and to reveal that to the people of Victoria.

The previous chief executive officer, Desmond Glynn, is referred to in an article on page 5 of the *Herald Sun* of 24 November. It states:

> … he did not bother reapplying for his job when his four-year term expired in June because the government had already appointed one of their own.
>
> 'I did not seek re-election because it was already known way back in May that the government wanted to put in their own man', he said.
>
> 'Everybody knew — it was a done deal — and the whole recruitment process was a sham'.

Way back in May — before the process started and before, as we now know, the Premier and the Deputy Premier started to discuss this issue — this was a done deal. No matter how much the Premier protests, this was a done deal and a sham. Due process was not followed and the independence and integrity of a government business enterprise was compromised so much that a leading Victorian lawyer resigned from the board.

This was a done deal. Even the Brisbane journos knew it was a done deal! The first edition of the *Courier Mail* of Saturday, 14 April 2001 ran a feature article by Matthew Franklin under the headline 'Electorate sorely tested by mayoral speculation'. It is an article about Jim Soorley and about the future of the mayoralty of the City of Brisbane. The article says:

> Whatever happens, Soorley will go sooner or later. Someone will have to take his place. With Tim Quinn and David Hinchcliffe already declared candidates, another possible contender is Jim Reeves — Soorley's right-hand man in city hall and a former mayor of Ballarat.
>
> Reeves is widely respected in city hall circles as an A-grade fix-it man —

not a property developer; just an A-grade fix-it man —

> whose skills are a significant reason for Soorley's political and administrative success.

Hon. G. W. Jennings — It is the B-grade team assessing an A-grade candidate.

Hon. BILL FORWOOD — Thank you for your interjection, Mr Jennings. The select committee will be able to establish this.

Hon. G. W. Jennings — Exactly.

Hon. BILL FORWOOD — Absolutely! The article continues:

> Reeves refused to discuss his plans with the *Courier Mail* or to comment on claims that he has ruled himself out of the race —

that is, ruled himself out of the race for mayor —

> by accepting a new job with the Victorian government of his close friend Steve Bracks.

On 14 April 2001 — before the process started and before anybody in Victoria knew anything about this — what do we have? We have the journos in Brisbane saying that Reeves refused to discuss his plans with the *Courier Mail* or to comment — 'No comment', he said — on claims that he has ruled himself out of the mayoralty race in Brisbane by accepting a new job with the Victorian government of his close mate Steve Bracks. I trust that the select committee will have the capacity to get to the bottom of this sordid affair and that the air will be cleared.

Hon. T. C. Theophanous interjected.

The PRESIDENT — Order! The Honourable Theo Theophanous will have the opportunity to contribute to this debate. I ask him to desist and allow the Leader of the Opposition to complete his remarks.

Hon. BILL FORWOOD — I trust that the select committee will get to the bottom of this sordid affair and that the air will be cleared. I trust that the damage caused to the independent Urban and Regional Land Corporation will somehow also be repaired.

But some damage cannot be repaired. The people of Victoria will never forget that in a desperate attempt to distance himself from this fiasco, the Premier betrayed his friend of 30 years. 'Past' or 'historic' — no matter what spin the Premier puts on it now, Victorians know that this man denied his friend to save his own skin.

Hon. G. W. JENNINGS (Melbourne) — This motion has brought in a trumped-up charge of jobs for the mates. Let us look at what has happened in the past two years under the Bracks government. We have seen 2500 nurses added to the Victorian hospital system, we have seen 2000 teachers added to the education system, we have seen 500 police officers put on Victorian streets to protect the community's safety.

Hon. B. C. Boardman interjected.

Hon. G. W. JENNINGS — These are not jobs for mates, but I can assure you that for every Victorian

citizen who wants better education for their kids, who wants better health care when they go into hospitals, who wants to feel safe on Victorian streets — every single one of those appointments is a friend of the Victorian community. We have delivered what matters to Victorians — that is, a turnaround in the quality of care that is provided by public institutions to the people of Victoria. That is a significant issue, and that is what the Victorian community worries about. It is not about jobs for the mates; it is about friends of the Victorian community in times of need, and that is what this government has delivered.

The first two years of this government has seen time and again the magnanimity of this government in providing ongoing job opportunities for former members of the Liberal and National parties to provide an ongoing role for their contribution to public life in this state.

Only yesterday in Queensland the former Premier of this state referred to being amazed at the generosity of spirit shown by my colleague the Minister for Health — a minister who is in the firing line of this current inquiry — in endorsing the former Premier's appointment to the mental health depression institute in this state. In fact, the former Premier said he often asks himself whether he would have been able to apply this generosity of spirit himself. He left it as a rhetorical question; he was unable to answer the question.

I suggest to the opposition that it should look at a number of other appointments this government has made in the last two years of former members of this place and other political activists within the Liberal and National parties to ongoing roles in public life in this state. They include: Tom Reynolds, who has been appointed a trustee of the Caulfield Racecourse by my colleague the Minister for Racing; Alan Brown, the former Liberal minister who has been appointed by my colleague the Minister for Environment and Conservation to the Central Gippsland Water Authority; James Forbes, the Liberal candidate for the federal seat of McMillan in the most recent federal election, who has been appointed by the same minister to the West Gippsland Catchment Management Authority; Don Chambers, the National Party's recent candidate for the federal seat of Indi, who has been appointed to the board of Ecorecycle; Geoffrey Connard, a former state Liberal member of this place, who has been appointed by the Minister for Health to the board of the Peter MacCallum Cancer Institute; John McGrath, a former National Party member, who has been appointed as chair of the Consumers' and Carers' Ministerial Committee on Mental Health — —

Honourable members interjecting.

Hon. G. W. JENNINGS — The opposition does not want to hear this. I have a list of your mates — —

Honourable members interjecting.

The PRESIDENT — Order! I ask the honourable member to direct his question through the Chair. Before he resumes, I would like to acknowledge some visitors who have come into the gallery.

Debate interrupted.

DISTINGUISHED VISITORS

The PRESIDENT — Order! I would like to welcome to the gallery from our sister state in the People's Republic of China, Jiangsu Province, the Jiangsu Economic and Goodwill Delegation led by Mr Wang Rongbing, Vice-Governor of Jiangsu, and the members of his delegation. Welcome, gentlemen!

Debate resumed.

Hon. G. W. JENNINGS (Melbourne) — As a recent visitor to Jiangsu Province I have absolute respect for the delegation from Jiangsu Province, so my enthusiasm for this ongoing debate should not be misinterpreted as disrespect to the delegation. However, I must say that I have a healthy disrespect for the hypocrisy of the opposition in pursuing this motion.

I go on with my list of appointments made by this government in the past two years of prominent members of both the Liberal Party and the National Party, demonstrating that this government is prepared to provide an ongoing role for former members of the coalition who have a capacity to make a contribution to public life in this state. The government has not shied away from providing a number of job opportunities for these mates of the Liberal Party and the National Party.

Stuart McDonald, a former National Party member of Parliament, has been maintained in an ongoing role and recently reappointed as head of the Rural Finance Corporation. Ted Tanner, former Liberal Party whip in the other house, has been appointed to the Keep Australia Beautiful committee by the Minister for Environment and Conservation. Lance Netherway, a senior Liberal Party administrative figure, has been appointed by the same minister as chair of the Wimmera Mallee Water Board. Michael Murphy, who in 1992 was preselected as a state Liberal Party candidate, has been appointed by the same minister as chair of the Glenelg Hopkins Catchment Authority.

James Coghlan, a prominent member of the Liberal Party, has been appointed to the Central Highlands Water Board. Rob Knowles, the former Minister for Health who played a prominent role in this chamber and in the public life of Victoria in the past two decades, has been appointed with the blessing of the Minister for Workcover and the commission to an ongoing role as a consultant to the Transport Accident Commission.

That is a substantial list of appointments of former premiers and former ministers, and it indicates the contributions prominent members of the Liberal Party and National Party have made to the public life of Victorians, which this government has been prepared to acknowledge. We have not shirked from making appointments. The list indicates what the Bracks government has done in its first two years on public life. There has been nothing wrong with making appointments of people who have political affiliations — —

Honourable members interjecting.

Hon. Bill Forwood — It's the process.

Hon. G. W. JENNINGS — There is nothing wrong at all if they have made a contribution to public life, and as the Leader of the Opposition has said, a proper process has been gone through. The evidence in the public domain and put on the public record this morning does not indicate any undue process. There are alternative views about the way the process worked under clause 6 of the schedule to the act, but there is ample evidence in the public domain to indicate that the process has been followed.

We contrast the record of the government in its first two years of public administration with a number of appointments made by the previous government within its first two years: Ron Walker, a prominent figure and federal Treasurer of the Liberal Party, was given a number of appointments including membership of the Melbourne major events committee and Melbourne grand prix promotions. What a surprise that the Bracks government has maintained that appointment! Hardly the act of a vindictive and vexatious government — —

Honourable members interjecting.

The PRESIDENT — Order! I ask the members on the front benches on both sides to keep out of the debate while the honourable member is developing his argument.

Hon. G. W. JENNINGS — I thank you, Mr President, for your assistance, and I assure you that regardless of the contributions of opposition members I will maintain my vigour in prosecuting this case because it makes clear the rampant hypocrisy of the opposition in pursuing a motion to have this house establish a Star Chamber.

Former Kennett government staffer Saul Eslake is making a valuable contribution in a range of economic analyses. In many ways I support the economic analysis he offered during the federal election campaign. During the first two years of the Kennett government he was appointed head of the Victorian Audit Commission. Peter Bennett, the former head of DDB Needham who did the Liberal Party election ads, was appointed head of communications of the Department of Premier and Cabinet. Paul Leeds, also formerly with DDB Needham, was appointed government advertising purchaser. Ken Crompton, former head of the Australian Chamber of Manufactures and prominent Liberal Party supporter, was appointed Agent-General in London. The daughter of former Kennett government minister, Robin Cooper, directly benefited from the massive contract to her company, Troughton Swier, to privatise the electricity industry. Leonie Burke, who subsequently became the member for Prahran in the other place, was appointed head of the Local Government Board. Karen Synon, the Liberal Party candidate who stood against the now Premier Steve Bracks, was awarded the position of first assistant secretary in the Department of Business and Employment and went on to become a Liberal Party senator.

My comparison of the appointments made by the Bracks administration during the first two years of its term in office is a stark contrast with the sorry history of the Kennett government. The Bracks government's appointments have involved proper process and recognition of the contribution of our political opponents and their capacity to play a role in Victorian public life. We have been prepared to expose ourselves to scrutiny in any appointments we make, including the appointment in question today. I have referred to appointments of only prominent Liberal Party and National Party figures within the first two years of the Kennett regime, a regime that lasted seven years. At no stage during that time did this place apply scrutiny to the appropriateness of the process or of the quality of the candidates or make an acknowledgment that any of those appointments may have been due to political affiliation. This place stayed silent for seven years and did nothing.

Hon. Bill Forwood — You were not here; you know nothing!

Hon. G. W. JENNINGS — I was a member of the Victorian community that knew. I witnessed that this place laid down for seven years and did nothing about appropriate scrutiny. Not once did this house establish a select committee; not once did it expose the practices of executive government to scrutiny; not once did this place accept amendments moved by the opposition in terms of scrutiny of the Kennett government's legislative program; not once did this house justify its existence by imposing any scrutiny on the public administration of the Kennett regime.

It is extraordinary hypocrisy for opposition members to come into this place today and suggest that this case warrants the establishment of a select committee. On average this mechanism is only used once a decade and in the last two months we have seen it trotted out — —

Hon. Bill Forwood — Twice, because you're a crook!

Hon. G. W. JENNINGS — It is a tawdry political exercise and vexatious in that it is overkill. During the federal election this chamber was used to do a hatchet job on the Labor Party's candidate in Frankston and today it has been used to do a hatchet job on the Premier, the Deputy Premier and prominent public servants in this state. It is a complete hatchet job that has been prejudged and predetermined. It was disingenuous of the Leader of the Opposition in this place to suggest that the people will decide, when his leader in the other place has claimed ownership. Not only has he prejudged the case, but he has claimed ownership of the select committee process.

In his interview with Neil Mitchell on 29 November the Leader of the Opposition in the other place in one instance pathetically tried to indicate that this select committee would be established in a bipartisan manner. He suggested a bipartisan approach would be taken, and that was his ostensible reason for saying that the motion before the house is an appropriate mechanism for establishing a select committee. He knows that under the rule of 30–14 that applies in this place — that is, the numbers here being 30 members of the opposition and 14 members of the government — the motion will be rammed through and will be adopted by this place. He has prejudged the outcome and is paying lip-service to the supposedly bipartisan nature of the select committee.

In the radio interview of 29 November the Leader of the Opposition in the other house, Dr Napthine, said that Mr Reeves was:

> … clearly not qualified for the job.

Neil Mitchell went on to ask:

> Would you have the power to require Jim Reeves to give evidence?

Dr Napthine responded:

> We would have the power under … this inquiry to call, subpoena witnesses …

Neil Mitchell asked:

> Would you be able to subpoena the Premier?

Dr Napthine replied:

> Well, we'd be able to subpoena the Premier …

Hon. T. C. Theophanous — He's coming to the upper house!

Hon. G. W. JENNINGS — I see. After Mr Mitchell asked Dr Napthine about the capacity to establish the nature of the relationship between the Premier and Mr Reeves, Dr Napthine laughed and said:

> Our inquiry is a minnow compared to the ambulance royal commission.

The recurring issue is that the Leader of the Opposition prejudged the case by making pronouncements in the public domain to the effect that Mr Reeves was neither the best candidate nor qualified for the job. He went on to claim ownership of the select committee and prejudged the determination of this chamber to establish its select committee under its auspices in the way it sees fit. From the other place he has the audacity to claim ownership of the select committee that is to be established if this motion is agreed to by this chamber.

He has no right in the public domain, the private domain or in Parliament to claim ownership over a select committee which is subject to consideration by this chamber. In that appalling radio interview the Leader of the Opposition went on to equate Mr Reeves's candidacy for the position with a bank robber who returns money and said:

> … you shouldn't have an inquiry to find out who it was or that they shouldn't go to jail.

The Leader of the Opposition in the other place has on the public record, outside Parliament, equated the candidacy of Mr Reeves with a bank robber who has

returned money and is trying to hide from scrutiny his guilt at being a bank robber.

Today the Leader of the Opposition in this place said the motion is not an exercise to hang, draw and quarter Mr Reeves, as that has already been achieved by his leader in the other place who claims ownership of a select committee of this place. He has prejudged the outcome by publicly telling this house how it should conduct its affairs and how it should operate to confirm the guilt that he has already predetermined.

It is an outrageous slight on this chamber and an outrageous act of political opportunism. The people of Victoria will not be fooled by this, regardless of whether the select committee is established. The people of Victoria will not accept the bona fides of this select committee.

In my contribution up until this point, and for the remainder of it, I indicate that the government has every reason to oppose the motion. I propose to move amendments to the motion to ensure there is an appropriate bipartisan approach to the inquiry. I will labour to have the Legislative Council demonstrate some bona fides in this matter about the scope of the inquiry and the way in which it would be constituted. That goes to the heart of the amendments for which I seek the support of the chamber. Therefore, I move:

1. That the expression 'and the circumstances surrounding contracts entered into between the Urban Land Authority (now known as the URLC) and KNF Advertising Pty Ltd since 1992.' be inserted at the end of paragraph (a).

2. That the expression 'two' —

which relates to the number of government members —

(where first occurring) be omitted in paragraph (b) with the view of inserting in place thereof 'three'.

3. That the expression 'three' in paragraph (g), be omitted with the view of inserting in place thereof 'four'.

4. That the expression '31 May 2002' in paragraph (j) be omitted with the view of inserting in place thereof '31 January 2002'.

Hon. Bill Forwood — On a point of order, Mr President, I seek your ruling on whether these are appropriate amendments to the motion before the house.

Hon. T. C. Theophanous interjected.

Hon. Bill Forwood — Absolutely nothing. Have a royal commission! If you want to have an inquiry into KNF, set one up yourself, Dodo! Get Lex Lasry back for $80 million!

The PRESIDENT — Order! The question is whether the proposed amendments are appropriate for this motion. I ask the honourable member to address that argument to assist my consideration.

Hon. Bill Forwood — Mr President, *May* is very clear that in amendments to motions such as this certain things cannot be added. If it is not capable of being debated as part of the original motion, you cannot move an amendment that will introduce extraneous material.

The motion before the house today is absolutely specific. It is about the selection, appointment and resignation of Mr Jim Reeves as managing director of the Urban and Regional Land Corporation, together with any involvement of external agencies and consultants in that appointment. It has absolutely nothing whatsoever to do with the witch-hunt that the Labor Party has run against Felicity Kennett for a very long time. I invite you, Mr President, to rule it out of order.

Hon. G. W. JENNINGS — On the point of order, Mr President, in your deliberations on this matter and in providing some guidance to honourable members, I may call upon you to indicate to the house that if I moved a substantive motion which included the reference that appeals to the opposition and also this reference which relates to KNF Advertising and its connection with the Urban and Regional Land Corporation, I believe it would be quite within the scope of the opposition to call upon you to support their capacity to delete the reference to KNF Advertising.

So in terms of the judgment you will be asked to make, I think the house and indeed the Victorian community could well reflect on the question: how can it be that if the government had sought an inquiry into this matter and into KNF Advertising it would be quite within the scope and proceedings of this house for the opposition to delete reference to KNF Advertising? However, the reverse situation of adding to the reference is going to be denied to the Parliament and to the people of Victoria.

Hon. T. C. Theophanous — On the point of order, Mr President, I ask that in considering your response to this point of order you consider the following points. The motion moved by Mr Forwood seeks to establish a select committee to inquire into and report on matters which directly relate to the process of appointment by the Urban and Regional Land Corporation, together with any involvement of external agencies and

consultants, so it is about how the corporation dealt with and deals with such appointments and its own internal processes. That is part of it.

I put to you, Mr President, that the KNF affair was indeed about and centred on a $180 000 contract which was funded partly by a government agency — which was in fact the Urban Land Authority, the predecessor of the corporation — and which was awarded to KNF and as a consequence put in question the managerial processes that were involved in awarding that contract. If there are problems with the managerial processes and if the board of management is subject to direction, as the opposition has tried to say, we want to know whether it was subject to direction during the KNF affair and if that is how Jeff Kennett got his contract.

Hon. M. A. Birrell — On the point of order, Mr President, the issue before the house is not whether a certain matter should be inquired into, but whether the house today, with no notice, can amend a motion to create an inquiry for a different matter to the one for which notice was given yesterday.

The rules of the house have always been that you give notice of a substantive matter, which gives 24 hours notice to your opponents so they can prepare for it, and that amendments made to it cannot be so substantive as to surprise the opponents, which is why every side gives 24 hours notice of them. That is the nature of the rules of the house. It is not an issue of whether there should be an inquiry into X or Y; it is whether substantive notice has been given, as is the norm from the Labor Party, the Liberal Party or the National Party. These are substantive amendments.

I might say to reinforce that point that if the government had wanted to put this motion on notice at any time in the past two years it could have done so. Indeed, if it had wanted to appoint a royal commission into that matter in the past two years it could have done so — presumably Mr Lasry was available — but it did not seek to do anything of that type. Instead it is moving amendments to a motion today which are clearly substantive amendments as part of a diversion tactic.

I submit to you, Mr President, that the issue is not whether topic X should be looked into, but whether you can amend a motion in a substantive manner which makes it so different to the original motion that it should be moved in its own right. If the government wants to move that and debate it on a subsequent day it can do so, but it would be improper to effectively ambush the house through this substantive amendment.

The PRESIDENT — Order! The fundamental rule as spelt out by Erskine May in relation to amendments — and I quote from page 346 of his 22nd edition, which is in fact incorporated in my ruling which has circulated and operated in this house since 8 March 1995 — is as follows:

> The fundamental rule that debate must be relevant to a question … also means that every amendment must be relevant to the question to which it is proposed.
>
> Stated generally, no matter ought to be raised in debate on a question which would be irrelevant if moved as an amendment, and no amendment should be used for importing arguments which would be irrelevant to the main question.

The rest of it does not need to worry us here. The question in this case is: what is the motion before the house? The motion is that a select committee be appointed to inquire into and report upon any matters relating to the selection, appointment and resignation of Mr Jim Reeves as managing director of the Urban and Regional Land Corporation (URLC), together with any involvement of external agencies and consultants. It is a very limited proposition.

If we look at the Urban and Regional Land Corporation Act — its most recent reprint is dated 13 September this year — we find that the question of appointments comes under either of two areas. One is the appointment of directors which, under clause 3 of schedule 1 to the act, is in the hands of the Governor in Council. The second is the appointment of a chief executive officer under clause 6(1) of the schedule which states:

> The board of URLC, after consultation with the Minister and the Treasurer, may appoint a person as the chief executive officer of URLC.

So the motion before the house is specifically in relation to the appointment of a person to a particular executive position in the corporation. Looking at amendment 1, the question is whether it is capable of amending this motion in such a way as to expand it on an issue which is completely different — not the employment of a person to an executive position, but to the entering into a contract for the supply of services. In relation to the suggestion by the Deputy Leader of the Government that if this amendment were a motion it would be quite capable of being moved, clearly it would be. But that is not the question before the house. The question is whether it is an appropriate amendment in this case.

There are two answers to the question. One is that it is a very limited motion and I do not believe, and I rule, that it is not capable of being extended in the way that is

being suggested. It follows, from *May*, that nor should there be any development of that argument on those issues. I also point out that on 20 October 1993 this house debated and dealt with a similar motion as in the honourable member's amendment, where it was proposed to set up an independent board of inquiry in relation to KNF and its relationship with the then Urban Land Authority. That motion was debated in the house and negatived.

An Honourable Member — Plagiarised.

The PRESIDENT — I am just reinforcing what I said before. Such a motion is obviously possible because the same question rule does not apply. That is really irrelevant to the fact that this amendment is much wider than the motion contemplates and therefore I rule that amendment 1 may not be proceeded with.

Hon. G. W. JENNINGS — Mr President, I am not uncomfortable with your ruling as I certainly have a clear understanding of the ways and means of this place and the nature of your rulings, and indeed the nature of *May*. But I suggest to the chamber that the Victorian community may not be so alive to the technical nature of the way in which this house operates. The residual message to the Victorian community may contain a degree of hypocrisy as to how the terms of reference of this committee, particularly to the appropriate scrutiny which this chamber failed, in my opinion, to provide to Victorians from 1992 to 1999 and continues to do so.

In relation to the remaining three amendments which have not been so dealt with by the Chair — amendments 2, 3 and 4 — I believe they are not subject to your ruling as they deal with different matters. The first item is designed to have a balance. Responding to the Leader of the Opposition who says this is a bipartisan committee, I say let us take up the challenge. If we had three-all, opposition and government members, there might be an opportunity for it to operate in a bipartisan fashion. So the challenge is issued to the Legislative Council: is it prepared to establish a bipartisan committee where the numbers are equal?

The next challenge, which runs off that, is to ensure that it is not within the domain of the committee to meet without government members attending. Further, to make sure that the quorum is increased from three to four, and, because the government has a high degree of confidence in the public disclosure of these issues already, the government is happy to bring forward the inquiry from May to January.

I believe the government has indicated its willingness to comply with evidence, as has been demonstrated by the vast array of public documents it has circulated already. I believe there is nothing the government is concerned about which should be hidden from public view. The net effect of this is that Mr Reeves has already declined to take up the appointment so will not be appointed to this position. The government wants to proceed as quickly as possible with the ongoing full-time appointment to this position.

The Leader of the Opposition — surprise, surprise! — read selectively from the material that the minister made available. My selective reading of it may emphasise slightly different things, particularly the incisive and appropriate role played by the Secretary of the Department of Infrastructure, Lyndsay Nielson, a public servant of the highest calibre who has worked with distinction in both the commonwealth and state jurisdictions and under both conservative and Labor governments. I believe the other members of the second interview panel, Terry Moran and Grant Hehir, both longstanding public servants who have worked in both commonwealth and state jurisdictions for governments of different persuasions, also have impeccable track records as senior public servants in both Victoria and the nation.

For anybody to suggest that they would expose their credentials as longstanding public servants to the slur they have received, particularly from the Leader of the Opposition in the other place, is a disgrace, and it undermines the integrity of the mindset that this select committee may be established to investigate. I have great confidence in the actions of those officers. I also have great confidence in the advice they provided to the Minister for Planning and the Treasurer on this matter. I believe their interpretation of the act is totally appropriate and consistent with the act's requirements.

Interestingly enough one of the public documents that the Leader of the Opposition did not refer to was a sign-off by the chairman of the board to the Minister for Planning to indicate that the board considered the views of the residual of the process and accepted the appointment.

Hon. Bill Forwood — Read the letter into *Hansard*!

Hon. G. W. JENNINGS — I am happy to read it into *Hansard*, because it reasserts my point. This is an issue that Mr Forwood did not put on the public record and that I would be happy to add to the public record. The letter is dated 26 September. It is from the chairman of the board of the Urban and Regional Land

Corporation, Marek Petrovs, to the Minister for Planning, and it states:

> The board noted your letter to the chairman dated 20 September 2001.
>
> On the basis that the Treasurer and yourself, being the shareholders of the corporation, expressed in the letter the firm view that the board should now consider the appointment of Mr Jim Reeves as managing director, the board resolved that:
>
> (a) Mr Jim Reeves be appointed as managing director.
>
> (b) Our letter is to be taken as evidence that the board has consulted with you and the Treasurer regarding the appointment.

So who made the appointment as required under the act? The board did, after consultation with the minister! The chairman of the board signed off to that effect. What a surprise! What a surprise that the Leader of the Opposition did not in his lengthy exposé of the public documents that were released by the government refer to that item.

It is my belief that the combination of that communiqué from the board to the minister and the reality that Mr Reeves for whatever reason chose not to take up his appointment indicates that it will be vexatious for the Council to pursue the establishment of a select committee. The challenge to the chamber this morning is to accept the amendments that have not been ruled out, to establish this committee on bipartisan terms and to review the length of inquiry in accordance with the amendments that I have put on the table this morning. I will be very surprised if the chamber is mature enough to accept that challenge. Time and again amendments that have been so moved have not been accepted — that has been the track record of the opposition parties for the past two years. It also has the sorry history of its seven-year silence over scrutiny of executive government during the Kennett era.

It is a challenge that I hope the Council will stand up to. I hope it supports the amendments. Certainly if it does not the government will have no option but to totally oppose the establishment of the committee.

The PRESIDENT — Order! To make it clear I advise the house that it will be debating as well as the motion the amendments listed as 2, 3 and 4 in the name of Mr Jennings.

Hon. W. I. SMITH (Silvan) — This motion before the upper house is about conducting a parliamentary inquiry into how the government appointed Jim Reeves to the position of managing director of the Urban and Regional Land Corporation (URLC).

The motion is not about the individual. It is about the apparent lack of due process, proper standards and integrity that has been revealed through the government's inconsistent and often incoherent answers to questions on the process of the appointment. In refusing to set up an inquiry the government has left the upper house, the house of review, with no alternative but to ensure that an inquiry proceeds and that it examines whether due process or political interference has occurred.

When both Victorian major daily newspapers use editorials to demand a parliamentary inquiry into the government's actions — newspapers which inform and often form the community's opinion — it is even more important that the upper house respond and examine the due process and the integrity of the government to see whether misconduct has taken place.

The *Herald Sun* of 30 November describes the actions of the government as a very messy affair. It states:

> The Bracks government's credibility has been seriously damaged by the Premier's shifting accounts of his involvement in the Reeves affair.

This independent article from a daily newspaper is critical of the government for not following due process. The article further states:

> The furore surrounding the appointment of Mr Bracks' Labor mate Jim Reeves to a … government job against the wishes of the Urban and Regional Land Corporation is out of control …
>
> Unfortunately, a parliamentary inquiry is now necessary to arrive at the whole truth of the Reeves affair.
>
> The events of this week suggest this may not be easy.
>
> The government must learn from this debacle and abide by the promises of openness, honesty and fairness which helped its secure power.

The *Age* editorial of 30 November describes the appointment of Mr Reeves as a sad advertisement for open government. It states:

> Inept answers about the 'job for a friend' call both competence and integrity into question.
>
> Few perceptions hurt a government more than public suspicion that it secretly looks after its own. Such suspicion is doubly damaging for the Bracks government, which came to power on a platform of open and accountable government. That is what makes its inept handling of the appointment of Jim Reeves as managing director of the Urban and Regional Land Corporation all the more serious …

> This week when the questions came, the answers were alarming in their inconsistency and, in some cases, incoherence. If Mr Reeves was simply 'the best person for the job', why was the Premier not up front about their relationship …
>
> The circumstances demand a parliamentary inquiry …

It states that Dr Napthine:

> … is on firm ground in demanding that Mr Bracks and Mr Thwaites answer to an inquiry. The maintenance of open and accountable government requires no less.

The Saturday *Age* article of 1 December, referred to by the Leader of the Opposition, should not be ignored. The article entitled 'No longer lilywhite' states:

> Steve Bracks promised to do things differently, but the appointment of his mate Jim Reeves to a top government job has changed all that …
>
> The government's performance has shredded Labor's pre-election pledge to be open and accountable and exposed the dismal judgment of cabinet ministers and senior advisers.

These comments are by independent journalists. They are not comments by the opposition but by journalists who often criticise the opposition. They have examined whether due process has taken place and are critical of the process and the government. The Saturday *Age* article continues:

> After attacking Jeff Kennett for allegedly favouring his mates, Bracks came to office promising to be different. Openness and transparency were to be the hallmarks of his government.

The Bracks government came into power with a policy of proper standards. It said it would not interfere in the employment of public servants. Many unanswered questions remain from the government's handling of this issue, which is why it is important that a select committee be appointed to inquire into it.

The questions to be answered are as follows. Did the Premier know that at the time the head of his own department was involved in conducting a second interview for managing director of the URLC, even though the board had already decided to appoint a candidate other than Jim Reeves as managing director? When did Mr Reeves first apply to be a candidate for the position of managing director of the URLC? Who referred Mr Reeves to the URLC as a possible candidate? Did Mr Reeves put his name forward for the position of managing director of the URLC or was he advanced by someone else?

Following the decision of the board in favour of Mr Mark Henesy-Smith, who determined that a new interview or selection procedure should be undertaken by departmental heads? Is it a fact that the only reason the head of the Premier's own department was added to the panel of department heads conducting a second selection procedure for the position of managing director of the corporation was because the Treasurer actually supported the board's selected candidate and did not want Mr Reeves? Does the Premier now agree with the former managing director of the URLC, Mr Des Glynn, who is reported in the *Herald Sun* of 24 November describing the recruitment process for a new managing director for the URLC as a sham. Now that the government has admitted it overturned the decision of the corporation regarding the appointment of the new managing director does the Premier stand by his statement that he did not seek to influence the selection?

The upper house select committee inquiry will scrutinise whether due process occurred and whether there was political interference in the appointment of the managing director of the corporation. Transparency, proper standards and integrity are essential for community confidence in the government. The Bracks government promised openness and accountability and even had a policy on it. The select committee will ensure the policy is maintained.

Hon. P. R. HALL (Gippsland) — We saw an extraordinary defence by the Honourable Gavin Jennings on behalf of the government to the notice of motion moved by the Honourable Bill Forwood. In fact, it was clear from the honourable member's performance that his acting ability came to the fore ahead of his ability to use reason and logic. During the first half of his contribution he reeled off a list of names. One wondered what the purpose of that was. I can only gather that the list of names was put forward as evidence that in the past few years the government has appointed to positions people with political leanings to the conservative side of politics. If that was the point I say, 'Good on them!'. We agree that people should be appointed to positions on boards or positions of power on the basis of merit rather than because of their political leanings. If people from conservative backgrounds or political leanings have the ability to fulfil those roles on boards they should be so appointed. What was the point of raising the list of names?

The National Party says clearly that the Honourable Gavin Jennings has totally got the intent of the motion wrong. The issue is about the process for filling the appointment. It is not about the person. It is not about Jim Reeves but about the process of filling that position, which is now vacant. If the chamber were to follow the argument of the Honourable Gavin Jennings

it would look at the history of the previous conservative government. In my electorate people such as Robert Fordham, a great guy with extraordinary ability and a former Labor government minister, fill positions in East Gippsland. His is a great appointment, and he continues to work and make a great contribution to that community.

When the Honourable Roger Hallam was Minister for Local Government he appointed such people as the Honourable Frank Wilkes and the Honourable Ian Cathie, both former ministers in Labor governments, to positions as commissioners in local government. They are good people who did a terrific job. A person's political background does not matter; if they have the ability and win positions on merit, that is a good thing. What is the point of the Honourable Gavin Jennings reading out lists of names? It added nothing to the argument.

Very early in the debate honourable members heard the Minister assisting the Minister for Planning. He is not here to defend this motion this morning, but all he could say by way of interjection was, 'What about the Kennett government?' Are we to imply from that interjection that he is saying, 'You did it, so we are allowed to do it too.'? Does that make it right? It is a tit-for-tat argument and a ridiculous defence offered by the minister.

When the mover of this motion, the Honourable Bill Forwood, was on his feet the constant interjection was, 'How do you know?'. We heard it all the time. That is exactly the point of debating this motion. How do we know? We do not know. There are clouds of uncertainty hanging over this issue, and honourable members need to know what happened. A select committee needs to be established so the people of Victoria can find out the real truth behind this issue.

The establishment of a committee of inquiry is not something that the National Party would agree to lightly. We would prefer that this course of action was not necessary. We would have preferred that the government take up the challenges of the opposition to establish its own independent inquiry into this matter so that this motion would not have to be debated in the chamber today.

The Leader of the Opposition in another place put that offer on the table. Last week the Honourable Bill Forwood put this motion forward and, once again, an offer was on the table by way of interjection at that time: 'Establish your own independent inquiry and we will not proceed'. That offer was formalised by the Honourable Bill Forwood in a letter to the Premier yesterday. Once again, it stated in black and white: 'We won't have to go through this motion if you are prepared to establish your own inquiry into this matter'. There was no response from the Premier of the state, so we are forced to take this position today where, to clear the air, we have to go down this path of forming a select committee to inquire into the matter.

There is a need to clear the air on this issue. Questions on the matter — whether they have been asked in the chamber or by journalists outside — have only elicited a range of inconsistent, confusing, contradictory and at times coy answers. We clamour for the truth. We have been confused by those contradictory and coy answers. The people of Victoria expect the truth from this government, which came into office heralding that it was going to be open, honest and accountable. Now there are doubts in people's minds. The air needs to be cleared. That unpleasant odour of not understanding, not knowing and not being certain hangs around the government and needs to be cleared.

Politically, we would be better off not having this inquiry and letting the stench hang over the government, so that each time we can throw back at its members, 'You were the people who went down the path of this phoney process. You were the government that appointed somebody in very dubious circumstances'. It would probably be politically better for those on the opposition benches always to have that cloud of uncertainty and doubt hanging over the government. However, in the interests of the people of Victoria we clamour for the truth. We need to know what happened during the process behind this matter.

I was finally convinced of the need to set up a select committee to inquire into this matter and to determine the truth when I read the weekend's papers. Honourable members have already referred to an excellent article in the 'News Extra' section of the *Age* last Saturday, 1 December. Ewin Hannan wrote a terrific article. Well done! It sets out and substantiates why the air needs to be cleared. The article states:

> The government's performance has shredded Labor's pre-election pledge to be open and accountable and exposed the dismal judgment of cabinet ministers and senior advisers.

It goes on to say:

> If the government's version of events is to be believed …

Isn't that the whole question — if the government is to be believed? Nobody quite believes the circumstances now because the Premier and the Deputy Premier have given contradictory and coy answers to any questions.

The *Herald Sun* editorial of Saturday, 1 December also had it right when, under the heading 'A very messy affair', it stated:

> The Bracks government's credibility has been seriously damaged by the Premier's shifting accounts of his involvement in the Reeves affair.
>
> Things have reached the unacceptable point where nothing said about the affair can be accepted at face value.

It goes on to say:

> Another inquiry is hardly what the state needs after millions were spent on the ambulance royal commission.
>
> Unfortunately, a parliamentary inquiry is now necessary to arrive at the whole truth of the Reeves affair.

That sums it up fairly well. It is not only the National Party but also the people of Victoria who are clamouring for the truth on this matter. They deserve an independent judgment on matters surrounding the appointment of Jim Reeves and need some independent assessment of the government's refusal to appoint any form of inquiry to clear the air on the matter. Despite the National Party's preference for the government to conduct its own inquiry, it leaves us with absolutely no choice but to seek to have the air cleared by agreeing to the appointment of a select committee.

Hon. T. C. THEOPHANOUS (Jika Jika) — By moving this motion the opposition seeks to establish Star Chamber no. 2. It can be seen in no other way than as a misuse of the opposition's numbers in this house to try to gain some cheap political points.

It is a witch-hunt, and the hypocrisy of the opposition is absolutely staggering. It is breathtaking when one looks at the record of members opposite in terms of having inquiries into appointments or into actions taken by the previous government. My colleague the Honourable Gavin Jennings has already indicated how the Leader of the Opposition in the other place has treated this house with absolute contempt by, firstly, prejudging the outcome of this debate and saying that an inquiry would be established in this house, and secondly, by calling that inquiry 'our' inquiry rather than the inquiry of the Parliament. Not only has the decision of this house been prejudged and preordained by the Leader of the Opposition in the other place, but the outcome has also been preordained — —

Hon. Bill Forwood interjected.

Hon. T. C. THEOPHANOUS — The outcome has been preordained, and you know that to be the case, Mr Forwood. One thing that should be pointed out is that the Leader of the Opposition in this house presented nothing new, nothing that has not been out there in the public arena and read from a series of newspaper articles. Those articles were used as the basis — —

Hon. Bill Forwood — Where were you on 14 April?

Hon. T. C. THEOPHANOUS — Mr Forwood, you do not have any credibility on these matters because you were the central person who complied with the request of the former Premier in trying to ensure that the Auditor-General was nobbled — and you paid the political price for that! That is the kind of record you have.

My colleague Mr Jennings read out a list of appointments made by this government of people associated with the Liberal and National parties. We have heard the response from members opposite, which was, 'So what?'. I will tell the house what it means. It means this government is balanced and appoints on merit. I want to go through the list of some of the appointments made by the Kennett government in its first two years of being in government. Let us look at the names of some of the mates — —

Hon. P. R. Hall interjected.

Hon. T. C. THEOPHANOUS — You agreed to them, Mr Hall, because you were part of it all. Let us look at some of the mates appointed by the Kennett government in its first two years. Karen Synon, the unsuccessful Liberal candidate from Williamstown, was appointed as first assistant secretary in the department of business and employment. She got a job for the girls! Russell Broadbent, a former federal Liberal member for Corinella, was appointed as a local government board member. Robin Cooper's daughter directly benefited from a massive contract to her company, Troughton Swier, for privatising the electricity industry. The list includes Don Cooper, a prominent Liberal appointed by Jan Wade to review the Legal Aid Commission; Ron Walker, federal treasurer of the Liberal Party, appointed chairman of the Melbourne Major Events Company and Melbourne Grand Prix Promotions; Peter Ross-Edwards, former National Party leader, was appointed local government commissioner for Bendigo; Digby Crozier, a former Liberal Party leader, was appointed Western region local government commissioner; Saul Eslake, a former Kennett staffer, was appointed head of the Victorian Audit Commission; Peter Bennett, a former DDB Needham executive who did the Liberal election

ads, was appointed head of communications in the Department of Premier and Cabinet; Paul Leeds, formerly with DDB Needham, was appointed government advertising purchaser; Peter Hargraves, former press secretary for the National Party, was given contracts for Workcover advertisements; Ken Crompton, former head of the Australian Chamber of Manufactures and prominent Liberal Party supporter, was appointed Agent-General in London; Greg Johns, former deputy head of the Victorian Employers Chamber of Commerce and Industry, a prominent Liberal Party supporter, was appointed as deputy secretary of the department of business and employment; Leonie Burke, a member of the Liberal Party and now a member of Parliament, was appointed head of the Local Government Board. Members opposite are trying to claim that all these people were appointed on merit.

I conclude my remarks by making a comment about not only the record of the former government in terms of the appointments made but about the fact that on every occasion under the previous government when the opposition tried to have inquiries — and there were a number of them — it failed because the previous government was not prepared to have any inquiries. The list is staggering. When the former opposition tried to hold an inquiry into KNF, the answer was no. When it tried to have an inquiry into the former Premier using his credit card on seven separate occasions to purchase personal items, such as crates of wine, bed sheets, flowers, a bed lamp, and so on, what was the answer? The answer was no. When the former Attorney-General, Jan Wade, used her credit card to buy hundreds of dollars of expensive cushions in London, what happened when the then opposition tried to get an inquiry off the ground? The answer was no. When the former Minister for Finance, the Honourable Roger Hallam, used his credit card to catch a Las Vegas show and the opposition called for an inquiry, the answer was no.

When the former minister for police spent hundreds of dollars on South African jewellery in duty-free stores for his wife, the answer was no. When the former Treasurer, Alan Stockdale, used his card, the answer was no. So what credibility does this opposition have for coming in here and seeking an inquiry in this case? The answer is none!

The PRESIDENT — Order! The question is that the words proposed by amendment 2 to be omitted stand part of the motion.

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

Ayes, 27

Ashman, Mr (*Teller*)	Hall, Mr
Baxter, Mr	Hallam, Mr
Best, Mr	Katsambanis, Mr
Birrell, Mr	Lucas, Mr
Bishop, Mr	Luckins, Ms
Boardman, Mr	Olexander, Mr
Bowden, Mr	Powell, Mrs
Brideson, Mr	Rich-Phillips, Mr
Coote, Mrs (*Teller*)	Ross, Dr
Cover, Mr	Smith, Mr K. M.
Craige, Mr	Smith, Ms
Davis, Mr P. R.	Stoney, Mr
Forwood, Mr	Strong, Mr
Furletti, Mr	

Noes, 14

Broad, Ms	Madden, Mr
Carbines, Mrs (*Teller*)	Mikakos, Ms
Darveniza, Ms	Nguyen, Mr
Gould, Ms	Romanes, Ms
Hadden, Ms	Smith, Mr R. F. (*Teller*)
Jennings, Mr	Theophanous, Mr
McQuilten, Mr	Thomson, Ms

Amendment negatived.

Amendment 3 negatived.

The PRESIDENT — Order! The question is that the words proposed by amendment 4 to be omitted stand part of the question.

Amendment negatived.

House divided on motion:

Ayes, 28

Ashman, Mr	Furletti, Mr
Baxter, Mr	Hall, Mr
Best, Mr	Hallam, Mr
Birrell, Mr	Katsambanis, Mr
Bishop, Mr	Lucas, Mr
Boardman, Mr	Luckins, Ms
Bowden, Mr	Olexander, Mr
Brideson, Mr	Powell, Mrs
Coote, Mrs	Rich-Phillips, Mr
Cover, Mr	Ross, Dr
Craige, Mr	Smith, Mr K. M.
Davis, Mr D. McL. (*Teller*)	Smith, Ms (*Teller*)
Davis, Mr P. R.	Stoney, Mr
Forwood, Mr	Strong, Mr

Noes, 14

Broad, Ms	Madden, Mr
Carbines, Mrs	Mikakos, Ms (*Teller*)
Darveniza, Ms (*Teller*)	Nguyen, Mr
Gould, Ms	Romanes, Ms
Hadden, Ms	Smith, Mr R. F.
Jennings, Mr	Theophanous, Mr

McQuilten, Mr Thomson, Ms

Motion agreed to.

SCOTCH COLLEGE COMMON FUNDS BILL

Second reading

Hon. ANDREA COOTE (Monash) — I move:

That this bill be now read a second time.

This is a private members bill under which Scotch College will be authorised to establish one or more common investment funds for the collective investment of trust moneys held by or for the benefit of the school.

Scotch College, its students and various causes connected with the school are the beneficiaries of a large number of trust and benefit funds. These trust and benefit funds may be established in a variety of ways, including:

the bequest of money by will to the school, or for a purpose connected with the school in the will of a former student or friend of the school; or

gifts or subscriptions for a particular purpose, such as a new building, sporting facilities or other specific educational facilities; or

the setting aside of moneys by the school council for a particular purpose.

These trust and benefit funds are currently held on trust by various bodies, including:

(a) Gardiner Hill Pty Ltd, a company established by the school for the purpose of holding investments. In 1999 Gardiner Hill was appointed as trustee of approximately 115 individual trusts, most of which were created by the wills of former students for the purpose of providing bursaries, scholarships and prizes;

(b) the Scotch College Foundation, an unincorporated association through which subscriptions, gifts and bequests are used to fund a variety of building and developmental projects and to assist students; and

(c) private individuals, the executors of estates or other trustees of funds for the benefit of the school.

The school wishes to be able to pool moneys from various trust funds and invest them collectively to obtain economies of scale in investments and to minimise administrative costs.

Equitable principles governing the operation of trusts, however, would not permit the trustee of the various trust funds to invest them collectively unless they were pooled in a type of investment permitted by law or there was a specific authority permitting pooling in each of these wills and trusts deeds under which each trust fund was established.

One type of investment permitted by law for the collective investment of trust funds is a common fund, operated by an authorised trustee company under the Trustee Companies Act 1984.

Many trustee companies operate common funds established under the Trustees Companies Act 1984, in which the various trustees holding trust funds for the benefit of the school could invest moneys.

The school would prefer, however, to establish its own common fund, so that the strong personal links between the donors and beneficiaries of the trusts and the school are maintained.

In order for a company to establish a common fund under the Trustees Company Act, it must first be approved by the Attorney-General to carry on business as a trustee company. Guidelines adopted by the Attorney-General in relation to authorising companies as trustee companies include minimum paid-up capital requirements and the ability to provide a range of services in the trustee companies industry. These criteria could not be met by Scotch College or any of its associated bodies.

The preferred course is to seek to establish the Scotch College Common Fund. This will provide the following benefits:

the school may maintain close links with the trust funds and the use of the trust moneys;

administrative costs will be considerably less than maintaining each trust fund on an individual basis or using the services of a professional trustee or custodian;

economies of scale will be available in investing the various trust funds. Investments will be available through a common fund which would be impossible for many of the small trust funds, some of which have less than $500 capital.

Private members bills have been used previously to enable the establishment of common funds for other non-government schools, educational institutions and other bodies for educational or charitable purposes.

Provision for the establishment of trust funds also exists in the enabling legislation of large educational institutions, as, for example, in section 43 of the Swinburne University of Technology Act 1992. The provisions of this bill are based on the trust fund provisions of the Swinburne University act, and this bill is also similar in scope and intent to the Roman Catholic Trusts Act 2001, and the Anglican Trusts Corporations Act 2000.

I commend the bill to the house.

The DEPUTY PRESIDENT — Order! I have had the opportunity of examining this bill and is of the opinion it is a private bill.

Hon. ANDREA COOTE (Monash) — I move:

That this bill be dealt with as a public bill except in relation to the payment of fees.

Motion agreed to.

Hon. ANDREA COOTE — I produce a receipt showing that in accordance with standing order 315 the sum of $1000 has been paid to the Department of the Legislative Council as a deposit to meet the expenses of the bill.

Hon. W. R. BAXTER (North Eastern) — I am pleased to support the Scotch College Common Funds Bill, and I commend the Honourable Andrea Coote for bringing it before the house.

Hon. K. M. Smith interjected.

Hon. W. R. BAXTER — Before Mr Smith gets too excited, I put on the record that I have some interest in the matter as a former student of Scotch College, as a life member of the Old Scotch Collegians Association and as a regular contributor to the fundraising programs that the school seems to run fairly persistently, I might say.

Of course the annual giving program, to which I am a contributor, has nothing to do with this bill. The bill deals specifically with trusts that have been created over many years, mainly by former students who have appreciated the great advantage in life they were given by an education at Scotch College and have seen fit to recognise that benefit and advantage by making provision in their wills to assist the school either directly through funding and the improvement of its facilities or, for a lot of old boys to enable boys, who would not otherwise have the opportunity to attend Scotch College because of the financial barrier imposed by the relatively high fees that are necessarily charged by the college to do so by way of scholarships.

It is commendable that so many men who have been educated at Scotch College over 150 years — and I acknowledge this is the 150th anniversary of the foundation of Scotch College; its early edifice was in Spring Street, not too far from this site — have appreciated the opportunity they have been given and have formed trusts in their wills. Many of the trusts that are now up to 100 years old were created with the best intention and within the law of the time, but circumstances have changed and a literal operation of those testamentary trusts that have been established would be very difficult to execute now and would not meet with the intention of the testators in any event. Other trusts have been established over time by grateful parents whose sons have been educated at the college. Perhaps their sons have met an untoward and untimely death by accident, through war service or whatever and they have established trusts in memory of them. Again, as the world has moved on some of the provisions of those trusts are now hard to comply with.

I think it makes a lot of sense indeed to enable the college to pool its various trusts. Not only will it be administratively much simpler and therefore much cheaper — surely the purpose should be to allocate as much as possible to the actual benefit of the school rather than chewing it up in bookkeeping fees — but it also enables an economy of scale to be entered into. I would have thought that if you could get a quantum of funds that is significantly large rather than a host of small sums you would be able to command a much better return wherever the investment is made; whether it is directly as a term deposit in a banking institution or in some other form of investment.

It seems to me that it is appropriate that the college do this. It is appropriate that the Parliament allow the college to do it. It is in no way derogating from the goodwill of former students, parents and other contributors who have acted in good faith in establishing trust funds: it simply enables modern money management to be applied. I wish the school well in the future. It is a huge undertaking. Scotch College educates a lot of boys from Victoria and further afield and it has a very high reputation.

If I can go off somewhat on a tangent for a moment, I am a little disturbed that court action is taking place at the moment concerning the membership of the school council and that the Presbyterian Church seems to be

exercising a degree of control over the college that is perhaps a little unnecessary, but we will await the outcome of those proceedings with some interest. I think Scotch College is one of the great institutions in Victoria. If the Parliament can assist the college in its future financial operations to the benefit of not only existing students but those in the future, I think the Parliament is serving the college well.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

SELECT COMMITTEE ON MEMBERS REGISTER OF INTERESTS

Establishment

Hon. M. M. GOULD (Minister for Industrial Relations) — I move:

(a) That a select committee of six members be appointed to inquire into and report upon any matters related to the failure of the Honourable W. R. Baxter, MLC, the Honourable P. A. Katsambanis, MLC, the Honourable K. M. Smith, MLC, and the Honourable Graeme Stoney, MLC to fully declare their pecuniary interests as required by the Members of Parliament (Register of Interests) Act 1978.

(b) That the committee shall consist of three members nominated by the Leader of the Government, two members nominated by the Leader of the Opposition and one member nominated by the Leader of the National Party.

(c) That the members shall be appointed by lodgment of the names with the President by the leaders no later than 4.00 p.m. on Thursday, 6 December 2001.

(d) That the first meeting of the committee shall be held at 10.30 a.m. on Friday, 7 December 2001.

(e) That the committee may proceed to the dispatch of business notwithstanding that all members have not been appointed and notwithstanding any vacancy.

(f) That the committee shall elect a deputy chairman to act as chairman at any time when the chairman is not present at a meeting of the committee.

(g) That four members of the committee shall constitute a quorum.

(h) That the committee may send for persons, papers and records.

(i) That the committee may authorise the publication of any evidence taken by it in public and any documents presented to it.

(j) That reports of the committee may be presented to the Council from time to time and that the committee present its final report to the Council on or before 31 May 2002.

(k) That the presentation of a report or an interim report of the committee shall not be deemed to terminate the committee's appointment, powers or functions.

(l) That the committee shall, unless it otherwise resolves, take all evidence in public and may otherwise sit in public at any time if it so decides.

(m) That the foregoing provisions of this resolution, so far as they are inconsistent with the standing orders and practice of the Council, shall have effect notwithstanding anything contained in the standing orders.

This motion seeks to establish a select committee of six members to inquire into and report on any matters relating to the failure of the Honourables Bill Baxter, Peter Katsambanis, Ken Smith and Graeme Stoney to fully declare their pecuniary interests as required by the Members of Parliament (Register of Interests) Act 1978.

One of the most important obligations of members of Parliament is to adhere to the Members of Parliament (Register of Interests) Act because it is important for Victorians and the Parliament to be aware of what personal interests, directorships or associations members have when they vote on legislation or undertake various other activities as members of Parliament. That is the purpose of having such a piece of legislation and placing such a responsibility and onus on members of Parliament to adhere to that legislation and report on a regular basis to the Parliament.

It is also important that those members' obligations in this respect are met in a timely manner. The act allows members to make amendments to their pecuniary interests a couple of times a year and ensure that they are kept up to date with their pecuniary interests. There have been examples of failures of members in another place to do this. The honourable member for Warrandyte did not declare his interest in a Melbourne information technology company at the time he acquired it, and that prevented the public and the Parliament from raising legitimate questions relating to his shareholdings when he had a role as a minister in the previous government. It is unfortunate that, as with another matter we will be dealing with later today, this shows that members on the other side have repeatedly demonstrated disregard for the obligations they have as members.

The motion before the house says that the committee should consist of three members nominated by the Leader of the Government, two members nominated by the Leader of the Opposition and one member nominated by the Leader of the National Party. That is an appropriate composition of a committee to inquire into a number of members of this house who have not fulfilled their obligations under the Members of Parliament (Register of Interests) Act in a timely and appropriate manner. For example, the Honourable Bill Baxter, who acquired some Telstra shares on or around October 1999, failed to declare those shares until June 2001 — a couple of years later. As I understand it, that occurred only after he had been contacted by the *Age*, which prompted him.

I have declared my pecuniary interests, and it is on the public record that I purchased Telstra shares, which I declared at the time. I fulfilled my obligations under the act as a member of Parliament. The Honourable Peter Katsambanis acquired a couple of parcels of Telstra shares on or about 25 November 1997. He also did not declare those shares until he was contacted by journalist, Mr Ewin Hannan on 29 August 2000. I note that during debate on a motion moved earlier this morning Mr Ewin Hannan was praised by the opposition as being a very good journalist and somebody who sets out his concerns in a very articulate manner. When Mr Ewin Hannan contacted Mr Katsambanis about this issue, some changes were made. In the period from 1997 to 2000 the honourable member had a number of opportunities to fulfil his obligations as a member of Parliament under the act, but he did not adhere to those requirements. It is appropriate that this house inquire into and investigate this lack of compliance by the honourable member.

The Honourable Graeme Stoney acquired an interest in National Mutual as a policyholder following the demutualisation of that organisation, and that interest was not declared either until some time later. The Honourable Ken Smith failed to declare on his register of pecuniary interests one company secretary position and two directorships relating to the Independent News Group.

The concern of the government is that a number of members of this house have not fulfilled their obligations under the appropriate legislation by filling in the members register of interests. If the law-makers of this land cannot follow the law, there is a problem, and the Parliament should investigate it in an appropriate manner by having a select committee of three members from the government, two members from the Liberal opposition and one member from the National Party.

It is important to ensure that members who ignore their obligations under the act are brought to account. The motion before the house will ensure that the people of Victoria can be assured that when members are required to adhere to their obligations under acts of this state they do so in a timely and appropriate manner and not — as in some cases — years after the event and only after they have been called up about it by a journo.

It is appropriate to have a select committee looking at why these members have not fulfilled their obligations under the act by registering their interests when they were supposed to. They have been given numerous opportunities to do so: they have received letters from the Clerks advising them of what they are supposed to do; they have received letters indicating their current registered interests and inviting them to make the appropriate amendments; and they have also been reminded of the requirements under the act to do so. These members have obviously disregarded the legislation and disregarded what is appropriate behaviour by members of this house. There have also been instances of members in another place not fulfilling their obligations under the act.

It is appropriate for this house to look into these matters, and I urge honourable members to support the motion before the house.

Hon. BILL FORWOOD (Templestowe) — I rise to speak on behalf of the Liberal Party and on behalf of my colleagues Mr Ken Smith, Mr Katsambanis and Mr Stoney in relation to this motion moved by the Leader of the Government today. What an absolute disgrace. In the debate on the motion I moved earlier today the Deputy Leader of the Government said that select committees of this house are established rarely. That is right; they are established for matters of great importance and moment. Two select committees have been established this year, both of which have met those criteria.

The rubbish that has been brought in here today is old news that is without merit and totally unfounded. No case has been made by the Leader of the Government for this house to take the important step of establishing a select committee to investigate any matters in relation to my three colleagues Mr Katsambanis, Mr Ken Smith and Mr Stoney.

I understand that Mr Hall will speak on behalf of the National Party and defend his colleague as well, and so he should, because it is a disgrace that the Leader of the Government would bring a motion like this before the house. She has not made a case to establish that any single member of this chamber has intentionally done

anything wrong at all. Not one attempt was made by the Leader of the Government to say that these matters were deliberate, because she knows they were not. She knows that inadvertently sometimes some things are missed.

Let me deal with the three cases the Leader of the Government brings to us today, for which she would ask us to establish a select committee.

I am advised by the Honourable Ken Smith that the matters raised by the Leader of the Government today are not new, having been raised by Mr Tim Holding, the honourable member for Springvale, 12 months ago. At that time Mr Smith advised that the companies named were wholly owned subsidiaries of the Independent News group, which he had declared. Mr Smith made the further point that he has been advised by his lawyers that he is not required to declare those interests on the Register of Members Interests because the holding company having been listed covers subsidiary companies in any case.

Hon. T. C. Theophanous — What have you got to hide?

Hon. BILL FORWOOD — He has nothing to hide at all; absolutely nothing to hide at all. The government is saying that an inquiry should be held into something that has no substance and no merit.

Let me turn to the issue of Mr Stoney. Mr Stoney has told me that as a young married man — and that is quite some years ago — he took out a National Mutual insurance policy to protect his family. I am happy to say that on the birth of my son I did exactly the same thing. On demutualisation Mr Stoney was given 437 shares in National Mutual. I think I got 200; my policy must have been smaller than his. Some years ago AXA took over the shares, but because he did not actually purchase the shares — they came as a result of the demutualisation — he completely overlooked the fact that he should have declared the shares in his register. Is that a hanging offence? How can that be a hanging offence? Why do we need an inquiry into that? What nonsense. He has 437 shares in AXA, and the last time I looked they were worth about $2.15. Dear, oh dear. We need to know, do we not, that among the assets of the member representing Howqua Valley are 400 shares. What nonsense.

When an *Age* journalist pointed this out 15 months ago Mr Stoney, would you believe, admitted the oversight and immediately corrected his register of pecuniary interests. At the time Mr Stoney also commented to the *Age* journalist, 'Well, Mr Holding got me, but he can't have much to do. Why isn't he out in his electorate working for the people who elected him instead of trying to damage my good reputation for such a minor issue?'. This was not an intentional attempt by a multi-zillionaire to hide the fact that he had huge share portfolios or to dupe the Parliament. What we know is that Mr Stoney had 437 shares in AXA, and the moment he realised they were not on his pecuniary interests register, he put them there.

Let me now turn to the issue of Mr Katsambanis. Mr Katsambanis acquired shares in Telstra on privatisation as part of the entitlement that many Australians took up. He had no other shareholdings ever listed since 1996. Again inadvertently this minor — can I say, minor, minor, minor — shareholder in Telstra forgot to list them. But, would you believe, he discovered the error and put them on the pecuniary interests register himself — before Mr Holding made his grubby attack; before that happened.

So here we are, a year later, and the Leader of the Government has moved a motion to establish a select committee to look into those three people. Now let me deal with the issue. In her contribution the minister said that we all have a responsibility to look after our personal interests and to declare them in our pecuniary interests register — and we agree; we all should.

Let me turn to the Labor Party.

Honourable members interjecting.

Hon. BILL FORWOOD — Why don't we look at them? The Register of Members Interests summary of returns dated 15 December 1999 states that section 5(2) of the act states:

> Every member who was not a member of … the … Assembly or the … Council in the Parliament then last past shall, upon taking and subscribing the oath or affirmation as a member, within 30 days thereafter submit to the —

Clerks, and it continues. This document was published on 15 December 1999. It points out that members were sworn in on 3 November. When I add 30 days to 3 November I get to early December — well before 15 December. This document, signed by the Clerk of the Parliaments, states:

> As at 15 December 1999 no primary returns had been lodged by the Honourable C. C. Broad —

a Minister of the Crown —

> the Honourable G. W. Jennings —

the deputy leader of the Labor Party in this place and the secretary of the cabinet — no show.

According to the information provided to this chamber, two members of the Labor Party did not even bother to put theirs in! This is not a matter of a trifling amount with the odd share here or there inadvertently overlooked; a member of the cabinet and the cabinet secretary did not even put in their returns.

Let me make the point that to his credit, the moment the Honourable Gavin Jennings realised that he had inadvertently made a mistake, he corrected it, because the next return of 31 May shows that Gavin Wayne Jennings provided his advice on 17 December, immediately he discovered that he had not abided by the rules, just as other honourable members do when they find they have not — —

Hon. C. A. Furletti — It was the honourable thing to do.

Hon. BILL FORWOOD — It was the honourable thing to do; thank you, Mr Furletti. He corrected the mistake immediately. But what do we get from Ms Broad, the minister? Oh no, she was not going to act like that. Why should she? She waited until 11 January before she bothered.

It is the height of hypocrisy for the government to bring this motion in here today, trying to besmirch the names of honourable members of Parliament on a minor, trifling issue like this. All honourable members know that the register is an important part of the way they behave. We all correct inadvertent mistakes straight away. I absolutely reject the need for any inquiry into this matter.

Hon. P. R. HALL (Gippsland) — This is a frivolous motion — that is the only way I can think to describe it. It is an absolutely frivolous motion that has been brought before the house. Moreover I find the implication that my colleague the Honourable Bill Baxter would seek to deliberately deceive anybody in any way extremely offensive. Mr Baxter is a person of the highest integrity — more integrity than any other honourable member, including myself. To suggest that he would deliberately try to deceive anybody on this sort of issue is totally and utterly offensive. The National Party condemns the government for the implication of that sentiment in the motion moved today.

We are angry about it and we have reason to be. I will tell you why it is frivolous in the case of Mr Baxter, as Mr Forwood did for the other three honourable members named in the motion. I put on the record and state clearly that it is true that Mr Baxter bought Telstra shares on 22 October 1999 and failed to immediately declare them on his register of pecuniary interests. Mr Baxter has publicly said that he was at fault. It was an inadvertent mistake and as soon as the matter was brought to his attention it was rectified. The Leader of the Government was correct in saying that a newspaper journalist contacted Mr Baxter to inquire about why the matter had been overlooked. Mr Baxter immediately rectified it, and in fact had it rectified before the article concerning the matter appeared in the newspaper on 15 June. He had it rectified before the article was published. Why would he make a mistake like that? We all make mistakes, but in the case of Mr Baxter he had first purchased Telstra shares on 7 January 1998 and put them on the register of interests of members of Parliament — he did the right thing. When he sold those shares on 30 October 1998, once again, he alerted the members of Parliament register to ensure that the record against his name was correct. Why would he want to hide the purchase of further shares when he had already declared that he had some shares, purchased some more and sold them? He had already completed the transaction of those shares and has nothing to hide. It was simply that Mr Baxter overlooked the fact that he had purchased new shares and, as has been said for everybody else named in this motion, as soon as the oversight was brought to his attention the matter was rectified. There is no case to answer. We all make mistakes like that. The motion is a frivolous action on the part of the government.

Hon. T. C. Theophanous — So you give him the benefit of the doubt!

Hon. P. R. HALL — I will come to you, Mr Theophanous, right now. The other reason I am angry about this is that the Leader of the Government seeks to set up a select committee to inquire into these matters when they should appropriately be dealt with by the house itself. In her conclusion the Leader of the Government said that it is appropriate for this house to look into these matters. The National Party does not mind these matters being raised in the house. We do not mind them being brought up as issues for the house to consider, but why do we need to establish a select committee to look into them? I refer the house to general business notice of motion 9 on today's notice paper in the name of Mr Theophanous. He has made an allegation about a member of the house and has chosen to do it by a substantive motion. There is no need to set up a select committee in this instance nor should there be. The honourable member is in the house and is able to defend himself and we can have a robust debate on those points.

What about the notice of motion given by Mr Theophanous earlier this day where he made

accusations about another member of the house? Why not have a select committee in that instance? I say that when these matters involve members of the chamber who are here to represent themselves it is a matter for the house as a whole to discuss, and there is no need to set up some form of select committee to inquire beyond the reaches of the house. It is a frivolous motion. It is the pot calling the kettle black. As the Honourable Bill Forwood said, there have been mistakes on the side of the Labor Party and they have been rectified — some immediately, some in due course. In every instance the honourable members named in this motion have committed an oversight they have attended to the matter straight away. They have done the right and honourable thing and had it rectified at the earliest possible moment. This is a frivolous motion that does not deserve the support of anybody in the chamber.

Motion negatived.

SELECT COMMITTEE ON FAILURE OF MEMBER TO VOTE IN ACCORDANCE WITH THE CONSTITUTION ACT AMENDMENT ACT

Establishment

Hon. M. M. GOULD (Minister for Industrial Relations) — I move:

(a) That a select committee of six members be appointed to inquire into any matters related to the failure of the member for Chelsea Province, the Honourable B. C. Boardman, MLC to vote in accordance with The Constitution Act Amendment Act 1958.

(b) That the committee shall consist of three members nominated by the Leader of the Government, two members nominated by the Leader of the Opposition and one member nominated by the Leader of the National Party.

(c) That the members shall be appointed by lodgment of the names with the President by the leaders no later than 4.00 p.m. on Thursday, 6 December 2001.

(d) That the first meeting of the committee shall be held at 10.30 a.m. on Friday, 7 December 2001.

(e) That the committee may proceed to the dispatch of business not withstanding that all members have not been appointed and notwithstanding any vacancy.

(f) That the committee shall elect a deputy chairman to act as chairman at any time when the chairman is not present at a meeting of the committee.

(g) That four members of the committee shall constitute a quorum.

(h) That the committee may send for persons, papers and records.

(i) That the committee may authorise the publication of any evidence taken by it in public and any documents presented to it.

(j) That reports of the committee may be presented to the Council from time to time and that the committee present its final report to the Council on or before 31 May 2002.

(k) That the presentation of a report or an interim report of the committee shall not be deemed to terminate the committee's appointment, powers or functions.

(l) That the committee shall, unless it otherwise resolves, take all evidence in public and may otherwise sit in public at any time if it so decides.

(m) That the foregoing provisions of this resolution, so far as they are inconsistent with the standing orders and practice of the Council, shall have effect notwithstanding anything contained in the standing orders.

The motion is to establish a select committee of six members to be appointed to inquire into any matters related to the failure of an honourable member for Chelsea Province, the Honourable B. C. Boardman to vote in accordance with The Constitution Act Amendment Act 1958.

The seriousness of the matter is underscored by a similar matter that recently occurred in Queensland concerning an honourable member in the Queensland Parliament, Mike Kaiser, who had to resign from the Parliament for being incorrectly enrolled 15 years earlier for the purpose of a preselection process that took place in the 1980s — a battle that took place when he was a 22-year-old student.

Unfortunately, the conduct of an honourable member in this place is in question in regard to two matters. One is whether he has breached The Constitution Act Amendment Act; the other is where the honourable member actually lived at the time he voted in the two elections.

At the last state election in 1999 the honourable member in this place voted in the seat of Carrum and was registered as living at Heslop Street in Parkdale. In 1999 when the honourable member voted on the republic referendum he was listed as living at the same address. Mr Boardman's electoral commission enrolment shows that he lived at an address in Parkdale on 13 December 1998, yet the summary of variations to the honourable member's register of interests shows that his Parkdale residence was deleted in January 1999. Yet on 18 September — —

Hon. C. A. Furletti — On a point of order, Mr Deputy President, we are dealing with a specific allegation that relates to the honourable member voting in his appropriate electorate. Generalities as to suburbs are inappropriate, and if the minister has specific addresses she should be referring to them.

The DEPUTY PRESIDENT — Order! I do not support the point of order. I believe the Leader of the Government's comments have been relevant to the debate to this time. I invite her to continue.

Hon. M. M. GOULD — Thank you, Mr Deputy President. The honourable member has stated publicly that he cannot remember whom he voted for — which is extraordinary for someone who was a sworn police officer in his previous occupation before entering this house — and that he is not sure where he lived. His register of members interests deleted the Parkdale address in January 1999. He no longer lives there yet he is still registered by the electoral commission at that address.

Hon. Bill Forwood — What address?

Hon. M. M. GOULD — The address in Parkdale was Unit 3, 25 Heslop Street, Parkdale.

Sitting suspended 1.00 p.m. until 2.01 p.m.

Hon. M. M. GOULD — The motion before the house is to appoint a committee to inquire into matters relating to the failure by an honourable member for Chelsea Province, the Honourable Cameron Boardman, to vote in accordance with The Constitution Act Amendment Act.

At the last state election on 18 September 1999 Mr Boardman voted in the electorate of Carrum. The electoral roll shows him as residing on election day at an address in Parkdale. Variations to Mr Boardman's pecuniary interests as registered in the parliamentary members register of interests show that he deleted that address in January 1999, eight months before the state election, as a property at which he no longer resided. He was quoted in the media as saying about the amendments to the members register of interests that he did not live at the address at which he was registered as living at the last state election — that is, in Parkdale.

He is also reported as saying that he lives in St Kilda and spends a couple of nights a week at home in Frankston. Neither St Kilda nor Frankston is in the state seat of Carrum — but Parkdale is. The register shows that he no longer resided at that property in January but he used that address to vote in the 1999 general state election.

Mr Boardman is reported on 5 December 1999 as saying that he could not remember who he voted for at the last state election. I am sure all honourable members can remember who they voted for — it is extraordinary that Mr Boardman is unable to remember. He is registered on the electoral commission roll at an address in Parkdale; the members pecuniary interests register shows that eight months before the last state election he was no longer at that address; he said he lives in St Kilda a couple of days a week and might spend some time in Frankston. The honourable member does not know where he lives or who he voted for and is breaching one of the most important acts in this state that provides for the democratic election of members in this place and the other place.

He has breached The Constitution Act Amendment Act. He also claims that he forgot to inform the electoral commission of his change of address. He remembered to show his address in the pecuniary interests register but he failed to comply with the provision in the act requiring him within 21 days of changing his address to notify the electoral commission.

It is clear that the honourable member has not complied with The Constitution Act Amendment Act. As members of Parliament and makers of the law it is appropriate that members of this house investigate such breaches. Mr Boardman was unable to remove the Parkdale address from the pecuniary interests register and was not able to advise the electoral commission that he had changed his address.

The electoral commission had the matter referred to it, and it found that Mr Boardman had not complied with the electoral law of the state. The commission indicated that it would refer the matter to the Victoria Police because a number of other residents in the state do not change their addresses in line with the commission's regulations. However, there has to be a different set of obligations on members of Parliament to comply with the law because we make the law, and ignorance of the law is no excuse to enable someone to get away with it.

The honourable member broke the law with respect to The Constitution Act Amendment Act. As I indicated earlier, in Queensland an honourable member who was found to be enrolled in one place and who voted in another resigned from the Parliament. It is a matter for the Victorian Parliament, as the Victorian Electoral Commission has indicated, to deal with the matter

appropriately. The appropriate way to deal with this, as Mr Boardman has failed to comply with the act, is that it should be investigated by a committee of the house. The commission has shown that he breached the law, and the establishment of a committee to fully investigate the issues surrounding this matter as set out in the motion is the appropriate method to deal with it.

An honourable member of this place breaking the law governing how we vote and how people are elected and someone who was once a sworn member of the police force having broken the law and being unable to remember who he voted for on election day must be properly investigated, and the motion is the way to achieve it.

Hon. BILL FORWOOD (Templestowe) — I rise with pleasure to respond to the limp-lettuce attack of the Leader of the Government. The alleged incident which she brings to the house today took place in 1999. I ask the Leader of the Government why, if this is a matter of such importance, we have waited two years for the government to do this. Why has it taken such a long time for a matter of such grave importance to be investigated? The answer is that it has absolutely no merit. The Leader of the Government has moved a motion that is nonsense, and we know it is nonsense — it is a furphy again.

On 24 November 1999 the honourable member for Springvale in the other place, Tim Holding, raised an issue for possible investigation by the Attorney-General. It was two years ago that he took to the Attorney-General the matter of Mr Boardman's electoral enrolment. He claimed that Mr Boardman said to a journalist that 'he lived in St Kilda, but stayed a couple of nights a week in Frankston'. Mr Holding further stated that Mr Boardman was on the electoral roll at an address in Parkdale. If a motion such as this is to be moved, it would be useful to lay the facts on the table, and a few addresses may have been useful.

Hon. T. C. Theophanous interjected.

Hon. BILL FORWOOD — Mr Theophanous, if you want to do this stuff, you could have moved it by substantive motion any time you liked in the last two years, and you never did. It is a cooked-up job and is pointless. The speech given by the Leader of the Government was dreadful.

Mr Boardman owned a property in Parkdale that was sold in January 1999, when he moved to Frankston. He also had an address in St Kilda which he shared with friends as a base for when Parliament was sitting. Members throughout the state have arrangements for where they spend their time when Parliament is sitting. Even government members of the house — most of their seats are close to town — do that. Ms Hadden probably does not go back to Ballarat every night. It is entirely appropriate that members make arrangements to spend time where they need to.

Although Frankston was Mr Boardman's primary residence, he did not change his enrolment details. This was first discovered in the 1999 state election. It was brought to his attention that he was not enrolled at his current address, so he voted where he was enrolled, which was in the seat of Carrum, and filled in a change of address form on that day. He voted in his seat of Chelsea, which he holds. He admits that he should have changed his details earlier and acknowledges that it was a simple mistake.

We are back to the simple mistake stuff. This is not a case of someone trying to deliberately rort the system. This is another simple mistake. I am happy to have the Leader of the Government say to this house that she is perfect and that she has never made a mistake in her life. We are looking forward to the next few years because we will have a good quick look at her, too — don't you worry about that!

However, when Mr Holding raised the issue he suggested an illegal act had been committed. This was not an accusation of an inadvertent mistake of someone not changing their address when they moved house — he suggested Mr Boardman was acting illegally and asked the Attorney-General to investigate — so on 16 March he raised it again with the Attorney-General. On this occasion Mr Holding referred to newspaper articles, quoting Mr Boardman as stating he forgot where he voted and whom he voted for. The quotes in the newspaper were misused by Mr Holding — why am I not surprised at that? — as they referred to the place of voting — that is, the polling booth — not the electorate. The quotes were totally misused, totally tricky and totally wrong.

The Attorney-General then requested the Victorian Electoral Commissioner, Colin Barry, to investigate the issue, and he did. Would you believe that eventually there was a report back to the Parliament? This is an extract from the *Hansard* report of the Legislative Assembly of 16 March. It says:

> … as chief law officer —

this is the Attorney-General, Mr Hulls.

Hon. J. M. McQuilten — Good man!

Hon. BILL FORWOOD — You have your opinion, we have ours. And I won't talk about his matrimonial arrangements. The report says:

> … as chief law officer I agreed with the view of the Victorian Electoral Commissioner on this matter, which is: —

and there is a quote from a letter from Colin Barry, the Victorian Electoral Commissioner —

> … no further action ought be taken against Mr Boardman in relation to this matter.

This is 18 months ago in March 2000 and today the government brings back a half-baked motion to establish an inquiry into something that an independent officer has already investigated.

Hon. T. C. Theophanous — Tell us what else he said.

Hon. BILL FORWOOD — Give us the letter! I am quoting from *Hansard*:

> … no further action ought be taken against Mr Boardman in relation to this matter.

That was 18 months ago; and that is the case, that is what has happened.

The Attorney-General further stated that Mr Barry identified that this is a common issue and that he was going to recommend legislative change to address it. The Attorney-General said that was a matter of some importance and that the amendment would be called the Boardman amendment, because that is the sort of sense of humour the Attorney-General has. That was almost two years ago. We ask: where is the amendment?

I should also place on the record that at the time of this incident in November 1999 Mr Boardman rang the Electoral Commissioner and explained the circumstances. I am told he was advised by the Electoral Commissioner that this was a very minor matter, it happens a lot, it is not a priority and they would probably take no action. Mr Barry's response to the Attorney-General confirms this.

Hon. T. C. Theophanous — You are defending the indefensible.

Hon. BILL FORWOOD — No, we are not. Mr Theophanous says by interjection that we are defending the indefensible. I say to the chamber that the government has today brought in the most trivial example of a motion to establish a select committee that this house has seen in its 150 years of existence. We have seen some rubbish dished up by the government in the past year also but nothing to compete with the motions it is moving today in this place!

I take absolute delight, in fact I have absolute pleasure in saying that we on this side of the house reject absolutely the imputations and assertions made by the Leader of the Government, and with delight we will vote against this motion.

House divided on motion:

Ayes, 14

Broad, Ms	Madden, Mr
Carbines, Mrs	Mikakos, Ms
Darveniza, Ms (*Teller*)	Nguyen, Mr
Gould, Ms	Romanes, Ms
Hadden, Ms	Smith, Mr R. F.
Jennings, Mr	Theophanous, Mr (*Teller*)
McQuilten, Mr	Thomson, Ms

Noes, 29

Ashman, Mr	Furletti, Mr
Atkinson, Mr	Hall, Mr
Baxter, Mr	Hallam, Mr
Best, Mr	Katsambanis, Mr
Birrell, Mr	Lucas, Mr
Bishop, Mr	Luckins, Ms
Boardman, Mr	Olexander, Mr
Bowden, Mr	Powell, Mrs
Brideson, Mr	Rich-Phillips, Mr
Coote, Mrs	Ross, Dr (*Teller*)
Cover, Mr (*Teller*)	Smith, Mr K. M.
Craige, Mr	Smith, Ms
Davis, Mr D. McL.	Stoney, Mr
Davis, Mr P. R.	Strong, Mr
Forwood, Mr	

Motion negatived.

LIVESTOCK DISEASE CONTROL (AMENDMENT) BILL

Second reading

Debate resumed from 29 November; motion of Hon. C. C. BROAD (Minister for Energy and Resources).

Hon. PHILIP DAVIS (Gippsland) — I rise to speak on the Livestock Disease Control (Amendment) Bill, and in so doing I have pleasure in advising the house that the Liberal Party supports this bill. As this makes two in two days, it is quite important to note that the government is enacting some legislation which in its intent and discharge achieves significant benefits for Victorians.

I will qualify that comment by saying that the government was reluctant to proceed with the bill this sitting, and it was only after the urging of the shadow Minister for Agriculture in the other place, who was

able to encourage the Minister for Agriculture, that the bill was proceeded with.

The bill is important because of what it sets out to do. It intends to achieve a national livestock recording scheme which will provide for the permanent identification of cattle initially, but inevitably other livestock, so they can be traced from the property of birth through all stock movements until slaughter, and therefore over the lifetime of that livestock any appropriate disease or other protocol can be met by identifying where those stock have been.

The bill provides for the adaptation of technology implemented to identify cattle and to identify other livestock species as required in the future. The policy to identify cattle has the support of the Agriculture and Resource Management Council of Australia and New Zealand. It is important to recognise that the cattle producers, through the Cattle Council of Australia, are strongly behind a long-term permanent identifier system. The policy of the CCA is to continue to push for mandatory tags, and some relevant conditions are attached to that — that is, to ensure that adequate technology is in place, which involves removing existing bugs as perceived by some handlers of stock; to establish satisfactory phase-in periods; to obtain government funding to establish a sustainable system; and to establish an appropriate level of feedback to producers resulting from the identification scheme.

This is important. I give as the primary reason that long-term permanent mechanisms are needed for the trace-back of cattle, and that includes the present much-promulgated concern about foot-and-mouth disease (FMD), which has received great coverage as a consequence of the recent outbreak of the disease, commencing in the United Kingdom in February of this year. It is relevant to note that this has imposed an extraordinarily high cost on the British government, but more particularly on Britain's livestock industries which have been denied market access as a result of the UK becoming a declared FMD country.

The other issue which has attracted a fair degree of comment over recent years has been the bovine spongiform encephalopathy (BSE) outbreak, which again has created an enormous challenge for the UK cattle industry. We therefore see that as posing a disease risk in Australia, and I congratulate the Minister for Agriculture on arranging a briefing of all members last week on Victoria's preparedness to deal with outbreaks of such diseases in Victoria. I put on the record my real concern that a great deal of work is yet to be done to ensure that we are able to competently handle an incidence of FMD in Victoria, and I will come back to that in a moment.

Other opportunities exist to improve identification of animal health issues — for example, bovine Johne's, which is another disease of significant cost to the cattle industry. The disease is prevalent, particularly in Victoria, and proper trace-back mechanisms are needed to provide the necessary identification and quarantine protocols to manage and, in the long term, hopefully eradicate that disease. However, given that it has been prevalent in Australia since the 1920s I suppose many people would have given up that hope.

It is important to recognise that in the 1980s Victorian beef cattle markets were exposed to risk as a result of cattle grazing on pastures which had been used for potato production and therefore treated with the chemical dieldrin. As a consequence market access was restricted and we had to deal with a range of matters which impacted adversely on the very activity of marketing Victorian beef cattle. In particular there were difficulties for farmers who were involved in that issue. More recently there has been the problem of chemical residues in feedlots using cotton trash.

It is important for the purpose of disease control, chemical residue testing and identification to have appropriate trace-back mechanisms. In talking about diseases we need to recognise that they are threats so what is the objective of providing a form of identification for livestock? The framework of the bill establishes a scheme to implement the national livestock identification system (NLIS) to allow for the permanent identification of cattle and other livestock species and the monitoring and control of livestock diseases by amending the Livestock Disease Control Act 1994.

This reflects changing consumer expectations in relation to food safety and is part of national initiatives supported by the industry and the government. It is important to recognise, given the dependence the Australian beef cattle industry has on export markets, the need to maintain market access. There is no doubt that the efforts to achieve a nationally uniform agreed and implemented protocol will be critical to the long-term viability of the industry.

Other amendments to the principal act go to enhancing controls on the grazing of cattle on sewage farms and addressing minor deficiencies in the act, and allow penalty infringement notices to be issued for some minor offences.

A feature of the bill is that the framework of the NLIS is to include a unique identification number for each animal associated with a device containing a microchip attached permanently to each animal. The bill is trying to achieve a basis of permanent identification for each animal that is a discreet number identification which identifies the property of origin and has a low loss factor — that is, that the identifier is not shed by the animal and needs to be electronically readable, tamper proof and indestructible. It sounds like Superman to me!

In this case the identifier is the ear tag with a microchip. I have had some experience of it in my own cattle herd, and I found it was easily able to be fixed. Most beef cattle producers would have had experience attaching ear tags of other descriptions in the past. This is no more difficult to attach, and my experience was that we did not lose any of the permanently fixed NLIS tags. However, this perspective is being challenged by Northern Australian cattlemen, and Queenslanders in particular, who seem to be opposing or resisting the rollout of the national scheme, which is regrettable because we need to recognise animal diseases and market access has to be managed on a national basis.

In relation to the management of disease control, particularly foot-and-mouth disease, there have been discussions about segmenting Australia and running protocols according to regions so that if there is an incidence in one area or another the totality of the Australian market access will not necessarily be denied. Many challenging protocols have to be worked through before there is agreement on this matter.

I am keen to talk about the benefits of an identifier. Although the focus is on disease control, residue control, chemical residue control and trace back, it is the fact that there are other benefits arising from the use of a permanent identifier that will be recognised nationally. In recent years there has been an increasing incidence of stock theft. Many country members will recall the days of the livestock squad, which seems to have dissipated to a group that now focuses only on the thoroughbred horse racing industry. There is virtually no specialist focus in the Victoria Police dealing with the theft of livestock. It is now left to the criminal investigation branch officers to deal with, which is regrettable. A steady increase in livestock theft is occurring. That is directly proportional to the price, and given that in the last year or so we have experienced very high prices for sheep and cattle there has been a commensurate increase in the number of livestock thefts. At least in the future it will be simpler to identify stolen stock and to relocate cattle, providing they still have their permanent identifier.

Hon. B. W. Bishop — I recall Mr Evans used to be a contributor to this particular debate.

Hon. PHILIP DAVIS — Mr Evans and Mr Stoney, as I recall, and it had something to do with their grandparents having particular expertise with cattleduffing.

Hon. E. G. Stoney interjected.

Hon. PHILIP DAVIS — The Honourable Graeme Stoney interjects that it was the Honourable David Evans's grandfather who allegedly duffed Mr Stoney's grandfather's cattle. As the Honourable Barry Bishop has just said, there might have been a counterclaim in that respect, and maybe the matter will never be resolved, but at least there is evidence that the matter has previously been discussed in this house. The issue of security of ownership is important, and there is no doubt that the permanent identification of cattle will become an aid in tracing stolen stock.

Given the available technology and the microchipping of cattle, another significant issue is the opportunity it provides for improving farm management practice. We have seen an increased use of technology in all industries, including agriculture — and livestock industries are no different from any other industry. As technology evolves there are those who adapt to it early on, while others are slower, but those people I am familiar with in the livestock industries who need to record the performance of individual animals are seeking to use the latest technology. This is particularly so in the dairy industry, where individual cow records can be seen from birth to death, and all production indices and supplementary feed and performance output values are recorded and used for relevant breeding programs.

The dairy industry probably is leading the large animal industry in adopting that technology. However, it is also important for beef cattle breeding herds. Performance recording of dams, sires and progeny has been in vogue in leading breeding establishments since the 1960s and is important, as has been the analysis of feed conversion values and the inevitable analysis of what factors and parameters make up the most viable stock units. These are being used and applied according to performance measurements, which are being provided in a much more sensible way rather than the way we used to do it. For example, when a calf was born we used to rush out to the paddock and try to catch the newborn calf and whack in an ear tag so we could relate the calf to the cow. Then we would make a manual record in the keeper's notebook. That was the basis of the required records. We thought we had done pretty well. Even

though we did not quite know what we were recording, we were recording that there was — —

Hon. B. W. Bishop — A major risk to the cow.

Hon. PHILIP DAVIS — Yes, a major risk. There is no doubt that there was a strong desire to make sure we started collecting records, but we were not quite sure what we were going to do with them.

Over time experience was gained in using livestock-weighing scales, monitoring growth rates and establishing the right weight and age to turn cattle off grass and put them into lot feeding — or even to send them straight to slaughter. Eventually values were determined as to which sire strains should be used for breeding programs. This is being made much more effective and efficient as a result of the adaptation of technology. As I say, this technology provides more than one form of assistance.

Instead of having to have a national scheme which identifies livestock simply for the purpose of traceback, farmers will be able to use this permanent recording system for their own on-farm husbandry and farm management practices. They will be able to purchase tags at $2.50 for each animal and a handheld scanner to read those tags will cost about $800, which will suffice for many commercial breeding enterprises in recording the number of transactions that are required each time stock are handled.

However, in establishments where there is a commercial scale of throughput in the numbers of stock and with a continuing throughput of stock on a daily basis, whether it is for dairy, saleyard or abattoir purposes, the cost of fitting a permanent reader for those tags to a race through which cattle are driven could be $10 000. On the face of it, that seems a lot, but given the number of transactions that would occur over time, the cost would be amortised out and would not be too high.

The implementation of these arrangements is important. The bill requires that all calves born after 1 January next year will need to be fitted with tags that are approved by the national livestock identification scheme (NLIS). There will be full implementation by 1 January 2005. An exception is provided for in the bill in relation to a couple of categories: bobby calves less than six weeks of age and sold for immediate slaughter will be exempt, as will cattle born after 1 January 2002 but which are sent directly to abattoirs by breeders. I believe this transitional implementation will be helpful.

There has been some criticism by northern cattlemen about the performance of electronic ear tags. The cattlemen assert that there have been some serious errors in terms of the number of ear tags that go missing, and there have been claims of up to 4 per 100. In fact Mr John Wild, a well-known, long-serving and long-suffering angry politician who has had many leadership roles in the meat and livestock industry and who has made a significant contribution to the development of the industry over a long time, maintains that there is only one no-read tag per 1000 or less. Interestingly, the Meat and Livestock Australia production research manager has indicated in relation to the database, which has developed on the basis of the voluntary implementation of the national livestock identification scheme, that to date 7.5 million transactions have been recorded and there has been only one claim of an error in those 7.5 million transactions. That is a remarkable testimony to the efficacy of the NLIS tagging scheme.

I turn to the issue of alternative mechanisms. There is a tradition, I suppose one could call it, of livestock identification within Victoria using tail tags. Many of my colleagues in the house will be familiar with this tradition, and I am sure Mr Baxter, Mr Stoney and Mr Bishop have stood in a yard full of cattle on a wet, muddy day with a lot of Cape weed in the paddock. It is a delight to grab hold of a very messy tail and try to wrap a plastic tag around that tail! I can testify to the challenge of that process because it seems that whoever designed those tags — and they have been around for at least 20 years — had one sort of glue, and it is not the sort of glue that works when there is any grit or moisture about. As you wrap the tag around the tail inevitably the tag slides off, so you end up putting two or three tags on to try to get them to grip.

What happens in practice is that stock get in the truck and they rub against each other. They get dirty and messy and the tags often slip off. At the end of the journey the cattle come off the truck into the saleyard, or the point of destination, and the next thing the truck driver notices is that there are insufficient tags on tails — they have lost them! Coincidentally, by good fortune, the truck driver usually finds a roll of tail tags somewhere — inevitably there is a glove box full of them — and between the truck driver and the stock agent, who has probably got a few rolls of tags in the boot of his car as well, mysteriously the cattle who have lost their tags have new ones applied.

This process may be bemusing to city members, but I can say to the house that the importance of it should not be lost because the tail tags represent an identifier of the property of origin of the stock that were consigned. So if you end up with a tail tag of unknown origin attached to an animal that is presumably of known origin and

consigned to a saleyard, and there are various vendor declarations and the like to be committed to, it is very hard to be confident about the veracity of the system of identification that we currently have and the ability therefore to trace back to the property of origin those stock which have thus been affected.

I have worked in the agriculture industry for most of my adult life and I have had the opportunity in the days when Newmarket operated to work there. I have been around saleyards most of my life. My family have been stock and station agents, so I have seen a lot of these things happen. There is absolutely no doubt that if you take stock through a saleyard you are doing very well if you get all of them out the other end with exactly the same identifier on them as they went in with. Therefore the permanent identifiers that the bill proposes to introduce, mandate and require will provide a great and useful addition to the process.

I would like to make a few concluding remarks about the importance of these measures from an animal disease point of view. In July of this year — perhaps honourable members will know about it because they have read about it in the newspaper a couple of days ago — I was in the United Kingdom. I look forward to reporting on my observations of that visit shortly when Parliament rises and the opportunity is afforded to me to sit down and complete the report. In the draft report I have prepared I make remarks about one of the issues that I investigated while I was in the United Kingdom, and that was the matter I referred to earlier — the outbreak of foot-and-mouth disease, which is punishing British farmers.

I must say that it is a very sad state of affairs, not just the impact on the national economy but the impact on individual farms. When I was in the United Kingdom at the end of July I was advised that there were 1900 farms where foot-and-mouth disease had been confirmed, more than 4 million livestock — sheep, cattle and pigs — had been slaughtered, and more than £3.8 billion had been expended thus far in trying to control this disease in the UK. I looked at it from a national, regional and individual perspective, and I have to say that anyone who is naive enough to think it is never going to happen to us is in for a rude awakening.

Without going to the detailed epidemiology in relation to how that disease developed and moved, I indicate that I went to the Cumbria district, which was the epicentre of the outbreak, and visited the disease control centre. I had a look at the operations there and observed the quarantine arrangements that had been introduced and the restrictions on movement. Over dinner during the last week of July I met some people who had come off their farm for the first time since the outbreak of FMD on 23 February. One can understand the sense of isolation felt by those individuals over those months when they could not leave their farm because of the restriction on movement. The only contact had literally been across a physical barrier where people would bring the groceries, for example, or other supplies and pass them over so that there was no risk of disease movement.

The social isolation and pressure on those families are enormous. Many families have had herds of livestock slaughtered. Notwithstanding that currently in the United Kingdom the compensation arrangements are regarded by the National Farmers Union to be adequate and there have been no complaints about the compensation levels, there are clearly issues far beyond the financial impact. We have seen it in Victoria. We have seen in microcosm the social impact as a result of the ovine Johne's disease which in a very small way has created incredible social distress. I say in a small way, but it is not a small way for the individual families involved. However, it is in terms of the scale of the problem relative to livestock industries in Australia.

The other issue in the United Kingdom is that much of agriculture and agriculture policy is sponsored by government, not for the benefit of the farming community per se but for the tourism industry because the real money in agriculture is the visual amenity that is provided for and to attract tourists to rural England so that they can stay on a farm or at a bed and breakfast in a village and can go walking in the countryside. Of course, all the walking tracks were closed because of the fear of transmission of disease. Therefore the tourism industry had ground to a complete halt.

I stayed in a little village called Appleby. It was a place where ordinarily at the time of year I was there the town would have been brimming with tourists. From what I could see, I was the only visitor to the town. From Appleby I was able to investigate the impact of FMD on that farming community. As I say, the impact on the tourism industry I thought was clearly the most damaging.

I said earlier that we should not think we could not get FMD here. I would have to say that when I returned to Australia in August I was alarmed by the then less than adequate, in my view, management of quarantine arrangements at Melbourne Airport. When I went through customs I was disappointed with the level of conscientiousness, I think that is the way I would describe it, about quarantine arrangements and concern about the fact that I had been in a locale where I had

been exposed to some FMD risk and was a possible carrier.

Subsequently I had the opportunity of dealing with that on another visit to Tullamarine and other places in association with parliamentary colleagues from the Liberal Party. We visited the animal health laboratory at Geelong, Melbourne Airport and elsewhere, and spoke to Australian Quarantine and Inspection Service officers. I have to say I am much more confident now than I was in August about the increasing level of border and barrier control in relation to those quarantine matters. However, I still perceive a serious risk for us and seek increased investment by the commonwealth in those protocols. There is a need for upskilling, increased manning levels and compliance efforts in relation to those quarantine and customs controls. I believe that should be endorsed and encouraged by all honourable members. We should be very supportive of the commonwealth government's efforts in that regard.

We should not be afraid to point out deficiencies when we see them in a broad policy sense or even — as I had the opportunity of doing and did — as an individual traveller who had some knowledge of the area.

That brings my contribution to an end other than to say that I think this is sensible legislation. It has my support and honourable members should ensure that it has a speedy passage.

Hon. D. G. HADDEN (Ballarat) — It is my pleasure to speak in support of the Livestock Disease Control (Amendment) Bill. I do not have the experiences of cattle and saleyards as those of Mr Philip Davis, the previous speaker, but I am always interested to sit in the house and listen to the experiences of honourable members on the other side.

The bill was introduced into the other house on 10 October and was passed on 29 November. The opposition spokesperson on agriculture, the honourable member for Monbulk, had written to the Minister for Agriculture on 15 November urging him to act quickly to protect our important livestock industry and have the bill passed as quickly as possible. The honourable member for Monbulk made it clear that a strong industry view was that a national livestock identification scheme would benefit the industry as a whole and that it was absolutely crucial that the scheme be implemented as quickly as possible.

On 21 November the Minister for Agriculture responded and welcomed the opposition spokesperson's support for the Livestock Disease Control (Amendment) Bill. But the minister also noted that the Auction Sales (Repeal) Bill was referred to in this bill and therefore sought advice on whether the opposition would support the Auction Sales (Repeal) Bill. I am pleased that the opposition Liberal Party is supporting this bill.

Currently something like 80 per cent of cattle have wraparound tail tags as a form of identification at saleyards and abattoirs. As we have heard from the previous speaker, and I know from my very limited experience, they fall off. Then there is the difficult, if not impossible, job of tracing cattle — if, indeed, they are ever traced accurately. It is absolutely crucial that we have a framework for the national livestock identification scheme (NLIS) and support for the bill before the house.

There is widespread acceptance across the community for the absolute need to protect our important livestock and beef industry to ensure that it is disease free and that we continue to be recognised interstate and internationally as having a clean and healthy beef industry. It is crucial that the cattle industry has maximum protection from future disease and food safety incidents. As has been mentioned by the previous speaker, foot-and-mouth disease is still a risk in Great Britain, and we certainly need to ensure that we have a permanent identification scheme nationally. I am happy to see Victoria take the lead in this area so that cattle are permanently identified under the scheme both from birth and before they leave the property of origin on their way to the abattoirs or the markets.

We know from media reporting over the past 12 months about the devastation that has been caused to the communities in Great Britain as a result of foot-and-mouth disease and bovine spongiform encephalopathy disease. Certainly we do not want that to happen in Victoria.

The purpose of the bill is set out in clause 1. It is to provide for the permanent identification of livestock, which will assist in the full implementation of a NLIS. It will also enable proper and responsible monitoring and control of livestock diseases.

Clause 15, which deals with notification of livestock slaughter and disposal, has an expected commencement date of 1 January 2005, if it is not proclaimed earlier. That will assist the industry in adapting to and implementing the NLIS. It also reflects the lifecycle of the livestock.

Clause 4 provides for exemptions to be made by way of regulation or by order in council. It also enables the framework of the national livestock identification

scheme to be established, which is more particularly set out under clause 6 in proposed new section 9A, which provides for permanent identification of livestock by way of tagging, marking, branding or identification and goes through the requirements of the secretary for that identification process. Compliance will not be required at the time of commencement if the cattle or prescribed livestock were validly identified under current practices at the time the owner acquired them or if the current methods of identification remain intact on the animal.

Clause 5 amends section 9 of the principal act, the Livestock Disease Control Act 1994, which deals with the compliance regime for the entry of livestock into Victoria. It is important to note that clause 9 sets out proposed new section 10(1) to provide very heavy penalties if a person does not comply with the provisions dealing with the entry of livestock into Victoria. Those penalties are $12 000 or 12 months imprisonment, or both, in the case of an exotic disease; and $6000 in the case of any other disease. Clause 10 provides that a declaration of a control area has effect for a period not exceeding 12 months and there is provision for the minister to specify a continued control period not exceeding a further 12 months.

Clause 6 introduces an identification scheme based on two categories: bobby calves less than six weeks of age and sold for immediate slaughter and cattle born after 1 January 2002 and sent direct to an abattoir by the breeder. The explanatory memorandum notes that cattle born before that date will continue to be identified by current practices and methods.

Clause 7 inserts proposed new section 9B into the principal act. It concerns the identification of livestock, which, of course, is an essential component of the NLIS. Clause 8 amends the requirements for manufacturers of tags to be authorised by the secretary in writing and prohibits the reuse of tags for identification without the secretary's written permission. Clause 9 requires that before diseased livestock may be brought into the state of Victoria an authority or licence must be granted by the secretary and the licence may have conditions imposed on it. The licence may be issued for a maximum of three years. Again, the penalties are heavy and similar to the penalties I have previously referred to.

Clause 11 deals with the secretary's approval for pigs or cattle to graze on land where sewage has been deposited, which may also be subject to conditions. The clause sets out a set of criteria which enables the secretary to exercise his or her discretion in relation to certain conditions, and it is important to note those criteria. They are: the purpose or intended use of the cattle or pigs to feed on the pasture or crop; whether the cattle or pigs will be tagged, marked, branded or identified appropriately under the legislation; the measures taken to limit the movement of the livestock; and the measures taken to limit the exposure of the livestock to infection and disease.

Clause 12 amends section 44(1)(c) of the principal act to ensure that when a sewerage authority allows cattle to be situated on particular land the cattle cannot be removed for slaughter without the secretary's approval. As with clause 11, there is a set of criteria for the secretary to exercise his or her discretion in relation to conditions and other relevant matters.

Clause 17 inserts new section 115A to provide for identification notices in relation to diseased livestock to be issued by an inspector. That is important to ensure the proper control and containment of disease outbreaks.

Clause 19 amends the regulation-making power in section 139 of the principal act. It will allow for the very important NLIS to be implemented for the monitoring and control of livestock movement throughout the state. It also allows for regulation of the destruction and disposal of the means of identification of livestock.

It is important to note that this bill will achieve a major step in protecting Victoria's very high reputation of supplying clean, wholesome, disease-free beef and dairy products. By providing for the identification of all cattle in the state the bill will achieve the maximum protection possible from any further food safety disease incidents. The bill will also ensure that we have better control of endemic diseases. It will assist in the reduction of stock theft through the identification of livestock. Further, it will provide for significant improvements in the efficiency of this industry, which is very important to the state.

The national livestock identification scheme identification tags will continued to be subsidised by the Bracks government and Meat and Livestock Australia. The government has announced that the tagging will remain at $2.50 for each identification tag for the current financial year. Meat and Livestock Australia has committed itself to $10 000 per saleyard on a dollar-for-dollar basis, and it should be commended for that commitment. The Bracks government has allocated more than $1 million to the installation of tag reading infrastructure at saleyards and abattoirs and the administration of the tag distribution.

Victoria's implementation of this very important national livestock identification scheme framework will ensure that this state continues to have healthy and reputable competition both interstate and internationally. It is important that this government protects the very important and large livestock industry. The dairy industry is worth $1.37 billion to Victoria and the beef export industry is worth something like $420 million to this state, so it is very important that we implement the national livestock identification scheme through this bill.

In relation to the other states and their positions, it is correct, as the previous speaker noted, that Queensland, Western Australia and South Australia have not been as proactive as Victoria in relation to the identification of livestock. However, New South Wales supports the introduction of a mandatory identification scheme and tracking arrangements for cattle and sheep. I understand that New South Wales has prepared a position paper which was to be put to the primary industry standing committee meeting scheduled for the end of last month. That paper recommended that the states and territories endorse the implementation of a mandatory identification scheme for cattle and sheep in Australia commencing next year. I commend the bill to the house.

Hon. B. W. BISHOP (North Western) — It is with pleasure that I rise on behalf of the National Party to speak to the Livestock Disease Control (Amendment) Bill. The purpose of this bill is to protect public health and livestock exports by controlling and minimising livestock disease, and preventing, monitoring and eradicating exotic disease outbreaks.

The National Party has consulted widely on this bill, generally with the Victorian Farmers Federation but also with many other people. One of the major concerns the National Party has with this bill — and I guess it is the reason it has not gone the whole hog in full support but will be not opposing the bill — is that this is a national scheme and it must be a national scheme to work properly, so we need a commitment from the Victorian government that the other states will join this national scheme to make it a workable program in the fullness of time. I did not hear anything in the contribution of the Honourable Dianne Hadden to give me any comfort that the government has that full commitment.

I move now to some of the issues in relation to this bill, and I suppose snippets of information as we go along. There is no doubt that red meat is the state's second-largest food export — it constitutes about 20 per cent of Victoria's food exports. Public health has received a lot of media coverage overseas and in the most practical sense it has been quite devastating where the industry has been jeopardised by serious outbreaks of stock disease. The National Party has a very strong view that good disease prevention and control depend on accurate identification and accessible records. It feels that that is most important. This bill establishes a framework to enable the permanent identification of cattle through the national livestock identification scheme (NLIS) — I again make the point that it is national — and the use of permanent electronic devices.

The approach taken in the bill is that the scheme will be phased in and will be a collaborative effort across all sectors of the industry, but there is the option of compulsion in the future. The benefits will include quality assurance; genetic improvement; prevention of stock theft, which is unfortunately becoming much more prevalent; better herd management; improved control of endemic disease; and much more efficient information exchange across all levels of the industry.

As the bill says, the scheme will take five years to implement. The National Party is advised that by early 2002, 80 per cent of Victorian abattoirs will be able to scan cattle processed for slaughter, which is quite a good effort when you think about it. The information will ultimately be recorded on a very comprehensive database, which I will talk about a little later.

It is important to note that cattle born after 1 January 2002 will be required to have an NLIS device fitted before they can leave the property on which they were born. The unit cost of the device, as has been mentioned by other speakers, will be $2.50 per animal. The National Party notes that financial assistance will be available from the government to the industry through the abattoir and saleyard systems. It also notes that exemptions will be available, although I suspect that the ultimate goal is for full implementation. Bobby calves, for example, will be exempt.

The National Party notes that 1 January 2002 is the nominated date for the mandatory requirement for all cattle leaving the property of their birth to have ear tags or boluses; 1 January 2003 is the date from which all abattoirs and knackeries will be required to notify details of all cattle slaughtered; and 1 January 2005 is the mandated date for full operation of the bill. It is to be a phased-in process.

The National Party has also been advised that the bill will empower prosecution of those who may introduce diseased livestock into the market. Other measures to prevent disease in livestock should be taken as well, such as ensuring that truck washes are available and

that trucks are clean. The bill allows the freeing-up of trade where disease risk can be managed and enhances the control of the grazing of cattle and pigs on sewage farms. It also allows for penalty infringement notices to be issued for some offences.

We in the National Party see this as an important bill which will lead us forward into the future, despite having those nagging doubts about the full national implementation of what we believe is a very good process.

I will talk for a few short moments about the devastating effects of diseases in cattle and other animals which my colleague the Honourable Philip Davis saw first hand in the United Kingdom. The spread of foot-and-mouth disease in the United Kingdom started with half a dozen infected sheep from the Lakes District being sent to the Longtown market earlier this year. These sheep had been running on a property next to a piggery, which is now recognised as the original source of the disease. The disease at that piggery and the sale of those sick sheep have now resulted in 3.5 million animals being slaughtered on 8400 farms in the UK at an estimated cost of $5 billion. which is rising steadily. The potential for the spread of exotic disease through animals in any country in the world is enormous.

In Victoria tail tags and vendor declarations have been quite useful in the past, but most farmers believe they are now outdated. The Honourable Philip Davis talked about the usefulness of tail tags in wet and sloppy market conditions where you can hardly stand up, and the trace-back in those areas is certainly not as good as the industry would like.

Further to that, the United Kingdom experience has clearly shown that the paper trail there is slow and inefficient, and that in a real disaster it is quite cumbersome and ineffective. The bovine spongiform encephalopathy (BSE) disaster began with a single cow in the south-west of England in the 1970s, and by the time BSE was identified 50 000 cows were infected. Feeding protein recovered from cattle carcases turned a single sick cow into an epidemic that spread like a chain letter throughout the British herds. How would a national livestock identification system have been useful there? Possibly from the following point of view: in the beginning only single cows presented with the symptoms, and had they been recorded on a national database the significance and severity of the outbreak may well have been recognised much earlier.

The costs of an outbreak such as the one in Britain are absolutely enormous. It has been reported that British officials estimate that the taxpayers' bill for foot-and-mouth disease will probably reach $6.17 billion. The United Kingdom BSE experience, which showed a lack of transparency and openness, provided many valuable lessons to countries like Australia. There is no doubt that a national livestock identification system will go a long way towards providing that openness and transparency as well as responsiveness, which the National Party believes is most important.

It is reasonable to report that Australia's feedlots will move to mandatory electronic identification under the national livestock identification scheme next year. About 25 per cent of all cattle for slaughter in Australia pass through licensed feedlots, so the move will speed take-up of this new scheme.

The latest NLIS integrated data and interface system for abattoirs is already in place in four European Union-licensed abattoirs in eastern Australia. We are under way, which we in the National Party believe is a good thing.

I come back to the point that nags away at National Party members in relation to this bill — that is, that national implementation is essential. The *Weekly Times* of 28 November reported on the Meat and Livestock Australia industry forum held at Mount Gambier, at which Queensland producers:

> … questioned the ability of the technology to read electronic ear tags and the logic of a mandatory scheme.

The article makes the point that:

> The north Australian attitude is in stark contrast to Victoria where legislation for mandatory electronic ID system is before state Parliament.
>
> Queensland cattlemen who spoke at the meeting said the ear tags were expensive and easy to lose. Some reported ear-tag losses as high as 4 in 100.
>
> They said that tail tags were sufficient in providing trace back.
>
> John Cox, the managing director of the Stradbroke Pastoral, which is one of Australia's largest cattle producers, said he was strongly in favour of electronic ID but opposed to it being mandatory.
>
> 'I would prefer that the scheme be market driven', Mr Cox said.

Further it states:

> The strong opposition to a mandatory scheme came despite a warning from outgoing Cattle Council of Australia president Peter Milne.

> He said that a mandatory ID scheme would be critical for Australian livestock producers in their attempts to control an exotic disease outbreak such as foot-and-mouth.
>
> But defending the push for a mandatory scheme was Harrow cattle producer John Wyld.

He was mentioned by the Honourable Philip Davis previously and is well known to all of us in agriculture:

> Mr Wyld said lost tags were usually the result of poor application.
>
> He said that 'no reads' were often due to a damaged microchip, also from careless application.
>
> Mr Wyld said reports of a loss of tags or 'no reads' were running at 1 in a 1000 …

Further on the report, in which there was support for mandatory identification, talks about conditions. Unfortunately by no means do Australians have total agreement about a mandatory system. We in the National Party believe the database that will be created out of this national scheme is absolutely essential, not only for marketing but for quality assurance programs, follow-up identification and trace back, and I again come to the point that it must be a national scheme. We also believe, as the scheme bites and more data becomes available, individual cattle producers will use the database — we are quite sure they will — to get accurate, complete information about their herds to see how they are going. An estimated 120 000 dairy cows are already tagged with the identification process. I am quite sure that the development of the national livestock identification scheme system will see a lot of those dairy farmers utilise that database.

We are advised that the development of the NLIS scheme cost about $5 million, and that that has been funded by levies paid to Meat and Livestock Australia. The NLIS business plan suggests that annual operation costs will be about $500 000, and that that will be covered by users, producers and processors by special levies on devices and database usage. While most industry people want NLIS in place, there are still questions about the process rather than the concept itself.

A number of people contacted the National Party after the bill was introduced into the lower house — where, of course, it was guillotined, which did not allow a lot of discussion on it. That was unfortunate. The people who contacted the National Party were those who use the system — producers, industry people, and industry journalists and commentators, such as Athol Economou. So there has been substantial interest since the bill has been introduced into Parliament. The questions to the National Party have been many and varied. I suspect they fall into three main categories. The first one is mandatory application, which seems to be quite a concern if it is taken on a national level. As an example I give the view of the Queensland producers, perhaps the New South Wales producers, and no doubt some of our producers in Victoria. Again I make the point that it is absolutely crucial that this be a national scheme to allow it to work properly, so we need the commitment from the other states. We are concerned that without that Victoria will again be out the front on its own, which is not a bad thing, as long as it is absolutely certain the other states will come with us.

We have noted that the bill provides some powers of exemption. The question for some producers who might have 5 cattle, Mr Stoney, or 10 cattle or 20 cattle — we are not sure about that —

Hon. E. G. Stoney interjected.

Hon. B. W. BISHOP — Some industry commentators suggest that smaller farms with very few cattle may provide the most risk. I think that is possible, as small numbers of cattle may well be viewed as a minimum revenue-earning sideline and may perhaps not get the full attention to detail that a larger producer would have to give due to the fact they are absolutely reliant on maximising their efforts. So a few questions are hanging in the air about the first point I raised.

The second is the cost to the industry, a question which is always raised in agriculture in times of change — and it is a fair question. The question is: who pays? There is no real question about that. As any of us who have been in agriculture know, at the end of the day the producer pays. Those questions are always raised, and quite fairly. But I note, as I think I have referred to, that there will be some government assistance to the industry to assist with the new identification system process.

The costs seem reasonable. It is $2.50 for an ear tag or a bolus, which goes in the gut of the animal. It seems more expensive when you get to the $800 for a hand-held reading machine or, as I understand it, $10 000 for a fixed installation at a saleyard or an abattoir. They are about the costs, which is an issue that has been raised with the National Party.

The third issue in the broader sense is whether the technology is good enough. I suspect from the work we did that on balance most people think it is. However, the bigger question is whether the database will be fully kept up to the mark — which it must be — and whether it will be fully utilised. Only time will tell as the use of

the project gets under way. The honourable member for Swan Hill in the other place, Barry Steggall, is the National Party spokesperson on agriculture. He did a lot of work on this issue, put the questions in a line attack and wrote to the Minister for Agriculture. On behalf of Mr Steggall and the National Party I thank the minister for his prompt reply.

Before I put on the record some of the questions raised and the minister's responses, one example of the responses we have had was that of a Mr Vanne Trompf, a cattle farmer from Dunkeld, who contacted us. He raised the point that we need a full package in place with good identification. If a disease outbreak occurs we need good back up of skilled vets and others on the ground to handle the issue. This is a practical and sensible view, and something that no doubt will be considered as the package comes on stream.

I come to the letter that my colleague the National Party spokesperson on agriculture wrote to the Minister for Agriculture. The minister responded highlighting the questions sent to him by my colleague, and his letter states:

> Thank you for your questions in relation to the operation of the national livestock identification scheme (NLIS).
>
> Following are answers to your questions.
>
> 1. Can tags and readers provide the information flow to the national data base from Victorian farmers and abattoirs?
>
>   Currently 957 producers, 18 abattoirs, 30 saleyards and 7 feedlots throughout Australia have accounts with the NLIS database for the purpose of electronically uploading and downloading information. Industry participants with access to the Internet can easily interact with the database.
>
>   Producers who buy and sell cattle through the saleyards system, or who consign cattle directly to abattoirs will not need to interact electronically with the database unless they choose to use the database to access carcase feedback information in relation to the cattle they have bred or sold.
>
> 2. Who will have access to the national database? Will our industry have confidence in a fully controlled national database?
>
>   The drafting of business rules in relation to the operation of the NLIS database commenced in late 2000 during the preparation of the NLIS business plan by Meat and Livestock Australia (MLA). The business plan, which was endorsed by the board of MLA, by cattle industry peak councils and by Safemeat in early 2001, summarises the main categories of data stored on the database, and who is entitled to create, read, update and delete this data. The business rules within the business plan define who can access the data that is stored within the NLIS database, and are complemented by access agreements and passwords for database users.
>
>   Further work on the business rules, focusing in particular on additional functionality that is being added to the NLIS database, is currently under way and will be progressed through the national NLIS steering committee. This additional functionality includes commercially sensitive information, such as carcase feedback data. There is already an agreement between the National Meat Association and the Victorian Farmers Federation pastoral group in place in Victoria in relation to producer access to carcase feedback data. Processors have agreed to allow the consignor and producers registered on the NLIS database as having owned a particular animal to gain access to carcase feedback data in relation to that animal.
>
> 3. What is the cost of managing the database?
>
>   The NLIS business plan predicts that the ongoing running costs associated with the operation of the NLIS database on behalf of the Australian cattle industry will be $556 000 per annum.
>
>   Approximately 3.2 million cattle — 12 per cent of the Australian herd — are currently identified with NLIS endorsed ear tags or boluses which are registered on the NLIS database. Because the NLIS is an electronic system, one Meat and Livestock Australia employee is currently able to manage the NLIS database because approximately 98 per cent of the data is captured and transmitted in electronic form.
>
> 4. Does the Australian industry want a mandatory system?
>
>   My understanding is that the Cattle Council of Australia and the Australian Dairy Farmers Federation support, in principle, the introduction of mandatory NLIS identification of cattle. The key condition associated with this support is that there be sufficient commonwealth and state government funding to ensure the successful implementation of mandatory arrangements.
>
>   The Australian Lot Feeders Association (ALFA) has recently decided to recommend to members that from 1 July 2002 cattle not be accepted into feedlots unless they are NLIS identified. ALFA is concerned that without NLIS identification, it will not be possible to identify and isolate cattle that may be diseased or residue affected.
>
> 5. Do other states agree with our approach?
>
>   New South Wales supports the introduction of mandatory identification and tracking arrangements for cattle and sheep, and has prepared a paper on this topic for the Primary Industries Standing Committee (PISC) meeting, scheduled for 30 November. The paper recommends that states/territories endorse the implementation of a mandatory identification scheme for sheep and cattle in Australia commencing in 2002.
>
>   Queensland, Western Australia and South Australia have not been as proactive as Victoria in relation to livestock identification. The position of these states in relation to mandatory NLIS identification will become clearer at the PISC meeting.
>
>   There are strategic advantages to Victoria associated with implementing mandatory NLIS identification of

cattle in advance of other states. The Japanese market, for example, may demand 'whole of life' traceability in the near future in response to fears arising from the recent diagnosis of 'mad cow disease'. The Victorian cattle industry recognises that Japan and other key markets for beef and dairy products are demanding full traceability because of concerns about food safety. This is a key reason why all sectors of the Victorian beef and dairy industries support the full implementation of the NLIS.

Other benefits such as better control of endemic diseases, reduction in stock theft and significant improvements in industry efficiency will not be realised until Victoria's cattle herd carries NLIS identification.

6. Which standards of the technology will be used in Australia?

International standards for electronic technology used for the identification of animals, known as ISO 11784 and ISO 11785, have been established. Australian standards for electronic technology used for the identification of animals, known as AS5018-2001 and AS5019-2001, have recently been published. These standards are based on ISO 11784 and ISO 11785.

The five devices currently holding NLIS endorsement all contain ISO compliant half duplex (HDX) transponders.

Devices containing ISO compliant full duplex (FDX-B) transponders and dual HDX/FDX-B panel readers have not been shown to work reliably in Australian conditions. The NLIS standards committee has therefore not endorsed devices containing FDX-B transponders.

Saleyards and abattoirs and many beef producers and dairy farmers throughout Australia have to date purchased fixed half duplex only readers because no suitable fixed dual readers have been available. They are likely to be significantly disadvantaged if either full duplex or non-ISO technology were to be endorsed for use as part of the NLIS as they would need to purchase dual readers or upgrade their half duplex readers at significant cost. The NLIS standards committee will only endorse devices containing full duplex or non-ISO transponders if the technology is shown to work reliably and if a commercial advantage to industry stakeholders can be demonstrated associated with its introduction.

7. What is the cost of implementation?

The government is assisting saleyards and abattoirs by providing approximately $1 million towards the installation of NLIS infrastructure.

Meat and Livestock Australia has agreed to provide funding to saleyards on a dollar-for-dollar basis to a maximum of $10 000 per saleyards for NLIS infrastructure including equipment such as automatic drafting gates and counting and display equipment to assist in the efficient handling of NLIS identified cattle.

Allflex Australia won a competitive tender conducted by NRE in 1998 for the supply of electronic tags for machine readable cattle identification devices. Because of the tendering process and a subsidy co-funded by the government and the cattle industry through the Cattle Compensation Fund, Allflex tag is approximately $1 cheaper in Victoria than in other states.

8. Should the government legislate to mandate industry behaviour and industry implementation?

Legislation requiring that cattle be identified using tail tags or equivalent has been in place in Victoria since the 1970s. Without such legislation, Victoria would not have been able to successfully eradicate tuberculosis and brucellosis from our beef and dairy herds.

Wrap-around tail tags, however, only reliably identify cattle for a few days. After they fall off, it is very difficult to trace cattle quickly and accurately if the need arises.

Customers are demanding proof that our livestock are disease free, and our beef and dairy products are clean and wholesome. In mid-1990, the European Union demanded full traceability for Australian cattle destined for export to Europe. A number of key Australian and overseas beef and dairy product buyers have indicated that they may introduce similar requirements in the future.

Also, there is wide acceptance within the cattle industry that maximum protection from future food safety and disease incidents, such as foot-and-mouth disease (FMD), will not be achieved until all cattle in Victoria are permanently identified with a NLIS device before they leave their property of birth and all movements are recorded on the NLIS database.

FMD has ravaged rural communities throughout the United Kingdom. We cannot afford to let this happen in Victoria. The full implementation of the NLIS will help to ensure a similar catastrophe does not occur here.

9. Should the government legislate to mandate which technology is to be used?

Safemeat, through the NLIS standards committee, has developed a standard which complements the relevant ISO and Australian standards, for the technology used as part of the NLIS. This standard defines the required performance of compliant technology in Australian conditions. If a NLIS technology standard was not in place, then saleyards, feedlots and abattoirs would need to install reading systems and complementary hardware and software for each technology selected by producers for the identification of the cattle. Such an arrangement would be unworkable.

A NLIS technology standard is essential to minimise industry costs and ensure that information about cattle that are moving between properties or to saleyards, feedlots and abattoirs can be captured quickly, cost effectively and accurately. The NLIS standard also ensures that endorsed devices work reliably in Australian conditions.

The letter is signed by the Honourable Keith Hamilton, Minister for Agriculture. We thank the minister for that response, which we believe is important to put on the record in relation to this debate.

In relation to mandatory legislation in other countries, we have noted that Canada has that in place. I refer to a Peace Views newsletter which states:

> The Canadian Cattle Identification Agency, operating since the fall of 1998, is preparing for the implementation of the national identification program. At present, the program is voluntary. Beef producers may use one of the 12 tags that have been approved in their current management strategy. On 31 December 2000 the program will become mandatory and cattle will need a herd of origin ear tag before leaving the farm and trading hands.

The article goes on to talk about the agency's particular process.

I shall not take any more time of the house other than to say that it has been a stepped program. New Zealand has the same view with its program run under the Animal Health Board national register of herds, which covers cattle and deer. That board goes through a process similar to the process Victoria is looking at, as is the case in Canada. That is a snapshot of Canada and New Zealand.

The bill provides a way forward, and we hope our contribution to the debate will be recognised. Questions still remain, but we have tried to manage some of those issues by raising them in the debate. We also understand that as the program gets under way other questions will be asked, which will have to be addressed as the situation develops.

Our greatest concern is that the scheme must be national, given the movement of stock across state borders today. The government must get a commitment from the other states that they will join the program, aptly named the national livestock identification scheme, otherwise Victoria will be out the front on its own. The National Party does not oppose the bill and asks the government to note its concerns. Members of the National Party will monitor the operation of the legislation as it develops over the next few years. The only way the scheme will work is by national compliance.

Hon. E. G. STONEY (Central Highlands) — I shall make a brief contribution to the Livestock Disease Control (Amendment) Bill, given the Honourable Philip Davis's informed and interesting contribution, which demonstrated his wide knowledge of the livestock industry in Victoria. Mr Bishop did likewise. Both Mr Philip Davis and Mr Bishop demonstrated that they understand livestock issues. The government's contribution was, to say the least, disappointing.

The objectives of the bill are to control and minimise livestock disease, and to monitor and eradicate exotic livestock disease. I was especially taken by the second-reading speech, which states in part:

> The bill establishes a framework to enable the permanent identification of cattle, and for related matters concerning monitoring and control of livestock diseases. It can be applied to other livestock where appropriate by regulation.

Currently the legislation is aimed directly at cattle. The second-reading speech goes on to note that:

> Victoria would be the first state to fully implement a mandatory version of the national livestock identification system.

This is an important step in improving the health of livestock and protecting our local and overseas markets, because world standards are rising, particularly in the countries to which we export. There is a growing consciousness of the importance of clean and green food and a growing consciousness of what can happen. The recent outbreak of bovine spongiform encephalopathy (BSE), known as mad cow disease, and the scare in Japan raised world awareness of the problems facing the meat industry throughout the world.

With the recent mad cow disease scare in Japan only one cow was discovered to be affected, but consumer confidence evaporated and Australia immediately felt the flow-on effects.

Hon. M. R. Thomson — It was a Japanese cow!

Hon. E. G. STONEY — Yes, it was a Japanese cow, Minister, but the ripple effect through the Australian export industry was immediate, and orders were downgraded or cancelled. The effects were felt immediately. Just when consumer confidence in Japan was picking up there was another scare. To demonstrate that they meant business and were on top of the problem the authorities ordered the slaughter of thousands of cattle that may have had access to certain feed.

Consumer confidence has to be fostered and nurtured, and supplies of meat and produce must be secure. There is no real downside to identifying animals, be it on the farm, at the saleyards or the abattoirs through to the finished product. The only downside is the cost of about $2.50 per head, which is not much for a beast, but if it were applied to sheep it would be a large cost to the sheep industry. That is an issue that still has to be addressed.

Tracing any contamination, such as pesticides and chemicals that are observed in the meat, back to the farm where the cattle came from is of great value to the

industry and the farmers. The days of poddy-dodging and cattleduffing are numbered. The romance that surrounds poddy-dodging and cattleduffing is not the same in reality, but as Mr Baxter and I were discussing earlier, it is becoming a big issue in Victoria and Australia.

As cattle become more valuable the temptation is there, and with the change of emphasis by Victoria Police away from the livestock squad we certainly have a problem in Victoria with stolen cattle. You would think the electronic tagging of cattle would assist in that regard. I am sure a former member of this place, the Honourable David Evans, a mutual friend of mine and Mr Baxter's, would agree that indeed it would be a good thing if cattleduffing was curtailed or became impossible.

A technique that is still used and has been used very much in the past is earmarking. You can earmark with either a pair of clippers or a punch, or just an ordinary Joseph Rogers pocketknife — a nice, sharp pocketknife. Our family earmark is a slit and a back quarter, quite a well-known earmark in the Mansfield district and up on the high plains. The technique of earmarking is very important when mobs of cattle are run together, as they are up on the high plains. I know at the Pretty Valley muster just out of Falls Creek, where they have literally several thousand head of cattle together — the Pretty Valley muster is quite a sight — it is all done on earmarking. You just ride in, pick your own earmark and work your cattle out into your own mobs. You can do it easily; it is done very quickly on earmarks.

Of course, the old timers had 20/20 vision: they could just ride in and bring three or four of their own cattle out at once. Once they locked their horse onto a particular cow — they used to claim the horse could read the earmark, but I think that is one of the tall tales of the mountains! — they could just bring their cattle out into all the groups, and everyone else could see that all those earmarks were in the one mob. Earmarking is a very necessary thing, and is still a very important technique today.

Another technique which was used in the past and which is still used on stud stock and horses is branding with dry ice. You have a metal brand cooled to very low temperatures on dry ice and then you apply it to the clipped skin of a beast, and in a couple of weeks the hair becomes white and you might have a perfect 9 or a perfect S, if there is such a thing. It is absolutely painless, but it is a very good technique for permanently marking stock.

Plastic and aluminium tags are used widely in the livestock industry, but there again, as was pointed out by Mr Philip Davis and Mr Bishop, there are downsides to this. Tags pull off in trucks and in saleyards and are not as reliable as they should be. Horn branding was a technique used many years ago, but once again the cattleduffers used to dehorn the cows once they pinched them. But stud breeders often use this method as a way of identifying beasts without damaging them.

I would like to record a very famous incident that occurred in my district, where a cow was killed quite near our home property. All the neighbours came because there was an accident in which a car was badly damaged, but nobody was hurt. But here was this cow with a very plain earmark belonging to a well-known Mansfield family. Someone rang the family and night fell. The next morning the cow was still in the table drain, but it carried the earmark of another well-known family in the district! So overnight someone — I do not know who on earth it was — came along and very carefully changed the earmark from one well-known Mansfield family to one that looked very much like the earmark of another well-known family in the district. So there are a few villains around, and there is sometimes a bit of fun in that area.

Hon. R. A. Best interjected.

Hon. E. G. STONEY — Probably not quite as deadly, but certainly these things did go on.

Mention was made today of the requirement that tail tags have to be used whenever beasts are sold — whenever they go to sale or whenever they go to an abattoir. I understand this will continue, but I do not quite understand why, because it is a pretty terrible process. It is just a plastic sticky tape that you wrap around the tail. Generally that works, but sometimes it does not and sometimes they come off. As Mr Davis pointed out, it is a very unpleasant operation, especially when the spring flush is on.

I have to tell the house that putting tail tags on is not nice — chasing cattle around a very muddy yard in ankle-deep mud and grabbing the very slippery tail, and especially in mid-spring trying to put on tail tags is not a pretty task. One might ask why mid-spring is the problem. The grass is lush outside the city and cows' tails are very slippery — I think that is the word I am looking for! Either way, I think the process prepares you for politics, and it especially prepares you for the dirty pool played in this place this morning, which drags us all down in the public's view. I believe what we saw this morning achieved nothing. I have to say I

have totally lost respect for some people in this place, and I think I would rather put on tail tags.

A report entitled *Control of Ovine Johne's Disease in Victoria* was released by the Environment and Natural Resources Committee. It goes into the management and control of OJD in sheep. It says that the management of sheep would be greatly assisted by an improved flock identification system. At the moment the bill refers only to cattle, but I believe in future sheep could be included.

To finish off, I shall just quote from the report. I was a member of that committee and we received a great deal of evidence into OJD management. In fact, we received evidence that the management of OJD is hampered by the lack of assistance to trace back flocks to the original farms. The report states in paragraph 9.12 at page 184:

> An improved flock identification system is one challenge that the committee identified in relation to determining the distribution and prevalence of OJD.

Finding 9.2 on the same page states:

> Identification of the distribution of infected and OJD-free flocks is a necessary precursor to the successful implementation of most technical approaches to control.

Identifying individual sheep is of major importance, but the committee also says it is a major undertaking and that probably in the future it will be very important that this be done. Hopefully the value of sheep will improve to the point where it is economic for farmers to tag each sheep, and if not to find a way of identifying each flock.

Hon. W. R. Baxter — Technology might bring the costs down, though.

Hon. E. G. STONEY — I am hoping that once the system comes in companies will find it attractive because there are a lot of cattle and a lot more sheep in Australia. I am hoping that as this technology improves perhaps on a worldwide basis individual chips will cost very little, making it attractive enough to use the technology.

There we have it. An improved identification scheme will assist farmers manage and protect their stock. It will certainly cement Australia's reputation overseas as a reliable supplier of meat. I have no problems with the bill and wish it a speedy passage.

Motion agreed to.

Read second time.

Third reading

For **Hon. C. C. BROAD** (Minister for Energy and Resources) Hon. M. R. Thomson (Minister for Small Business) — By leave, I move:

> That this bill be now read a third time.

In so doing I thank the members of the opposition and the National Party for their support of the bill. I thank the Honourables Philip Davis, Dianne Hadden, Barry Bishop and Graeme Stoney for their contributions.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

SECOND-HAND DEALERS AND PAWNBROKERS (AMENDMENT) BILL

Second reading

Debate resumed from 29 November; motion of Hon. M. R. THOMSON (Minister for Consumer Affairs).

Hon. C. A. FURLETTI (Templestowe) — I am pleased to indicate to the house that the Liberal opposition will not oppose the Second-Hand Dealers and Pawnbrokers (Amendment) Bill. While largely being in agreement with the content and thrust of the bill it has very grave concerns about a couple of the provisions and their prospective implementation so that it is not possible to offer the government unconditional support.

The bill arises out of very lengthy investigations, inquiries and reports, some of that work having been done by the Good Shepherd Youth and Family Service. The tabling of the bill in the other place generated a considerable amount of response from those involved in the industry on the one hand and those who are advocates for consumer groups and those who are concerned about community welfare areas on the other hand. As has been the case for many years — indeed I experienced it in 1997 when the previous government introduced the Second-Hand Dealers and Pawnbrokers Act — there is a certain amount of division between those who provide the service and those who seek to protect and care for the less fortunate persons who use the service.

The report generated an issues paper, which sets out a large number of recommendations, many of which are

reflected in the bill. The major elements of the bill can be summarised briefly. In the first instance it should be noted that currently second-hand dealers are required to be registered, and a person who has a second-hand dealers licence is able to act as a pawnbroker. As a result of that fairly loose nexus between second-hand dealers and pawnbrokers there is the difficulty of identifying exactly who of the second-hand dealers are acting as pawnbrokers. My inquiries indicate that some 6900 second-hand dealers are registered and that as a bit of a guesstimate there are some 150 pawnbrokers, but it should be noted that the vast majority of pawnbrokers also act as second-hand dealers.

The bill proposes in its main thrust that second-hand dealers who wish to act as pawnbrokers will be required to have their registration endorsed with the right to act as a pawnbroker. If nothing else, that will identify those who act as pawnbrokers and will be the open door by which Consumer and Business Affairs Victoria may monitor and seek to enforce compliance, which is one of the major complaints at this point and one of the principal reasons for the review and for revisiting this industry.

I had the pleasure of speaking to the social policy and research worker who had a major role in preparing the report for the Good Shepherd Youth and Family Service. I was impressed by the amount of research that was conducted and the amount of work that was done. Part of our discussion indicated to me that pawnbrokers have a high degree of non-compliance with the existing act. I appreciate that that is an easy comment to make, and non-compliance can be minimal or it can be serious. From what I can gather, there are very few instances of serious non-compliance, but numerically the instances are substantial. The important thing is to be able to identify those who are engaged in non-compliance and who should be complying, and of course nobody suggests that non-compliance should be endorsed or allowed to exist without some sort of supervision.

That is what this bill does, because once it identifies the pawnbrokers the next step is to create and institute an inspectorate and a body of personnel with extraordinary powers, to which I will refer subsequently, who will ensure that those who have endorsed their second-hand dealers licences will be monitored and controlled.

One of the aspects to which I draw the attention of the minister — I raised it with the minister's advisers when we were briefed — is the cost of the endorsement. Second-hand dealers pay a fee of some $140 a year and a pawnbroker will pay a $400 fee for the endorsement. In the instance of a corporation, which is a sole entity with directors, shareholders and the rest, it is a one-off fee; but if the pawnbroker happens to be a partnership — for example, of husband and wife — or a family with a number of registered owners all operating under the one licence then they will each have to pay that licensing fee. To my mind that is an area that should be looked at and identified.

Rather than dealing with the inspectorate powers at this point I will go through the act in sequence. What is involved are the very strict rules with respect to the character and identity of the applicant for a pawnbrokers licence.

This provision introduces principles of probity that relate to many licensed operations in that it is essential to know a person's history, criminal record or good character before a licence will be granted. So we have the requirement that the licence can be affected where a person has any record of wrongdoing — whether criminal or fraudulent, or breaches of the provisions of the act. There is nothing wrong with that.

More importantly, some of the concerns that have brought this legislation before the house may be addressed because whoever enters the industry should be a cleanskin — someone who has no previous history of wrongdoing — otherwise they would not be granted a licence. One hopes, as is predominantly the case, they are law-abiding and compliant with the provisions of the act.

As I said earlier, apart from the inspectorate powers that are introduced by this bill, new disciplinary procedures are introduced as a new part 3 in the principal act. Proposed section 18A(2) inserted by clause 28 allows the Chief Commissioner of Police or the Director of Business and Consumer Affairs to make an application to the Victorian Civil and Administrative Tribunal, which is the only avenue for this course of action, to conduct an inquiry to determine whether there are grounds for taking disciplinary action against a pawnbroker. The powers for the tribunal to give effect to disciplinary measures against a pawnbroker and second-hand dealer are new. They are very broad and include, for example, the power to reprimand a person found to have breached the provisions. There is the power — it is not called a fine — to order someone to pay into consolidated revenue a penalty up to $5000.

Proposed section 18B(1)(c) requires a person to comply within, or for a specified time, with the requirements specified by the tribunal; and there is the power to suspend the registration of a person or the endorsement of the person. These provisions clearly apply to second-hand dealers as well as pawnbrokers. Proposed

section 18B(1)(e) requires a person to enter into an undertaking to perform, or not to perform certain tasks to be specified in the undertaking. The disciplinary measures also include the imposing of conditions on the registration or, if it involves people losing money, to pay compensation to those people who have lost up to $5000.

In effect, these provisions are creating a small claims tribunal arising out of disciplinary action initiated not by a complainant but by the Chief Commissioner of Police or the minister's department. The opposition does not entirely disagree with the proposal, because if that were all it were about it is possibly a reasonably expeditious way of dealing with a problem.

The reports and recommendations that I have seen indicate this is not a major problem; that although there may be non-compliance with the regulations, there are no grave problems of fraud or cheating. So while the purpose of the legislation is understood, time will tell whether the implementation will be reasonable.

I refer also to the substitution of section 19(1) of the principal act outlined in clause 29. The provision extends the identification requirements for a person selling or pawning goods, so it again applies to pawnbrokers and second-hand dealers.

Probably the most contentious of the provisions in the bill is the insertion of new section 23A entitled 'Return of residual equity in unredeemed goods that are sold'. In effect, the provision is a return to the 1958 provisions of the Pawnbrokers Act, which was reviewed and repealed in 1997. That section is very similar in effect to the provisions the government is reintroducing.

Section 28 of the Pawnbrokers Act 1958 states:

> In case any such article —

meaning an article that has been pawned —

> has been sold for more than the full amount of the principal money and interest thereon which was due at the time of sale, then the overplus (deducting the necessary charges of such sale) shall if claimed within twelve months next after such sale be paid upon demand to the person by or for whom such article was pawned or his agents or assigns or (in case of death) to his executor or administrator.

Proposed section 23A(2), as outlined in clause 31, states:

> If a pawnbroker sells unredeemed pawned goods after the expiry of the loan period, the person who pawned the goods is entitled, for a period of 12 months after the sale, to claim from the pawnbroker the residual equity, if any, in respect of the goods.

In principle that is a good thing, and it is the right thing to do. It is fair to assume that if there is an amount left in equity after sale of an item that has been pawned, then one would expect that that equity should be returned to the person who pawned the goods and is the rightful owner of that equity. Other Australian states treat that in different ways. In some instances it is an automatic right and in others it is held in trust for the person who has pawned the goods. In yet other cases no notice is given or notice is not required to be given. As I said, it is appropriate to have this type of provision in principle.

However, the parameters set in this bill are difficult and would cause a problem for the government because of the large number of representations about it that the government has received from people in the industry. I am sure the minister has considered a broad range of existing possibilities in handling this matter. To some extent I can sympathise with that, but one of the tasks of government is to find that area of ground which is a reasonable balance between the two competing interests that exist in so much of the legislation that comes before this house. In an instance such as this the arguments that are put at both ends of those two extremes are quite disparate and intense.

Areas of concern arise in certain situations. Sometimes it is easier to use examples. For the sake of argument, when a motor vehicle has a second-hand value of $5000 and is pawned for $3000, which includes the 30-day interest component, and the vehicle is sold the day after it was due to be redeemed — as it legitimately can be — for $4000 and there is a residual equity of $1000, then it is obvious that in those circumstances the $1000 should clearly and unequivocally be returned to the owner of the vehicle or the person who pawned the vehicle. However, in reality most items that are pawned have a value of somewhere between $60 and $70. If those items are sold for $40 or $50, then how far need we go to ensure that equity and fairness is achieved and that the balance we have talked about is reached?

This is the concern that has been expressed to me by quite a large number of people in the industry. I have been approached by Cash Converters, which represents 22 stores, and by the Australian Pawnbrokers Association, which represents about 30 stores. At least I have discussed these matters with representatives of what appears to be about one-third of the industry. The common thread is that, although they agree with the proposal, they have said that the line is drawn in the wrong place. I know the minister has had detailed conversations with these people as well and that she has considered seriously where to draw the line, but when I asked how it had been determined where to draw it I

was not given a satisfactory answer. The line is drawn at a residual value of $10. Of itself that would probably be acceptable if that was all that had occurred. The concern is that pawnbroking appears to be like swings and roundabouts: you win some, you lose some. It is an industry, depending on what products you take in, in which you might get your money back; however, there is a large number of products, for example with items of technological value, that will depreciate far more rapidly than items such as jewellery. Pawnbrokers obviously rely, to some extent at least, on the residual value going into their pockets rather than being returned.

The question is: where should the line be drawn? As I have indicated, in this case the government has drawn it at $10. It may not be such a bad thing if a person who pawned goods were able to return within the 12-month limit, as expressed in proposed section 23A(3), and say, 'Here's the ticket. You've sold my goods. Is there any residual value?'.

What is of concern is the imposition upon the pawnbroker to notify the person who pawned the goods that there is a residual value of more than $10 available for collection. If there is an issue, that seems to be the one that is causing a great deal of concern. I asked a couple of the people who approached me to do an assessment of how much it would cost their business, taking into account time, paper, postage stamps and equipment used, to send out these sorts of letters — that is, to comply with this requirement. One person came back to me with a figure of $25 000 a year, which is in the order of $500 a week, for their business to comply. If you take into account that you are withdrawing without compensation — indeed with further loss — $25 000 from that business, I can understand why these people are concerned that the provision that is being introduced will cause them some angst, and some of the concerns extend to putting some pawnbrokers out of business. The provision will certainly have side effects. The concern expressed with regard to this issue is that it is somewhat of a retrograde step, but if the government is intent on introducing this type of provision what I have been urged to do, and I understand the Victorian Employers Chamber of Commerce and Industry and Cash Converters have urged the minister to do, is to ask the government to revisit the matter.

Other options exist with respect to how this amount should be calculated — for example, there could be a limit on the amount loaned — the amount loaned being the figure taken into account for the purposes of residual equity determination. The suggested figure was $200, and one would expect that if that product were sold relatively quickly there would be a residual equity worthy of expending the funds necessary to notify the person who pawned the goods to come and collect that residual equity.

Others have suggested it should be based on the value of the items pawned, and a figure of $500 was bandied around. Where the line is drawn is the government's responsibility; the government has to find the balance, not the opposition. The government has introduced legislation which from all indications will cause concern, and it should give a commitment to monitor and expeditiously address the situation if the line is proven to be drawn in the wrong place.

The other matters that concern the opposition are the provisions with respect to entry, inspection and seizure, which have been taken, I was advised, largely out of similar provisions contained in the Motor Car Traders Act, the Prostitution Control Act, and brothels legislation. I thought pawnbroking and prostitution was an awkward comparison of different industries. It struck me as being quite extraordinary, given that we are talking about people displaying signage, giving notice, sending letters to others, dealing with transactions of, let us be generous, less than $100 generally speaking, that the minister should give to an inspector the power of entry with or without permission or consent of the owner of the business or the operator — in any event, a person who is licensed — allow them to come in and inspect whatever books and records there are, compelling the pawnbroker or the business operator to retain documents without necessarily identifying which documents. They could very well be documents that they do not have.

Specifically I raised with the minister's advisers the situation where it is stated that the provisions relate to all documents. I said there might be, for example, documents which they do not have which are their documents technically but which are held by the bank. The response I got from the minister's advisers was, 'That's all right, you will have to trust Consumer and Business Affairs Victoria, because we are reasonable people and we would not enforce that sort of anomaly in the legislation'. With respect, I do not think that is what the legislation is about because if the act says that, that is the way it is to be interpreted. For departmental officers to say that CBAV will enforce it differently is, I believe, placing a little too much trust on the minister and her department.

I refer the house to comments of the Scrutiny of Acts and Regulations Committee on the bill. It referred to proposed sections 26B and 28B, both of which limit the traders' privilege against self-incrimination. In other

words, a person is not allowed to say, 'I am not going to tell you that, Inspector, because I might incriminate myself'. They are bound to answer the question. Those enforcement provisions may be appropriate with regard to motor car traders where one is dealing with considerable amounts of money and considerably different areas of transaction.

The provisions may be appropriate in areas where there is a high degree of risk of criminal activity, such as the sex industry. But I wonder whether second-hand dealers and pawnbrokers fit within that category. I leave the minister with that thought.

It has been brought to my attention that there will be serious ramifications arising out of the introduction of this legislation unless the minister monitors it very closely. The opposition suspects that she will, and we hope she does because we will be monitoring her to ensure that she is monitoring the operation of this legislation. On that basis, while not supporting the bill, the Liberal opposition does not oppose it.

Hon. R. A. BEST (North Western) — On behalf of the National Party I rise to speak on the Second-Hand Dealers and Pawnbrokers (Amendment) Bill, and in doing so I would like to set out the National Party's position, which is to not oppose the bill.

One of the things I did about this bill was to visit two of my local pawnbrokers to see how they operate because I have not had reason or cause to use their services in the past. While I have been a member of Parliament for the past 12 or 13 years and there have been changes to the act during that time, I was not quite sure of the ramifications of this bill on this particular small business operation.

The purpose of the bill is to separate regulation of pawnbrokers by means of endorsement on their registration as second-hand dealers and improved enforcement by means of increased penalties, infringement notices and inspectors' powers. It also looks at the payment of residual equity in pawned goods that are subsequently sold by a pawnbroker. That is an issue I wish to spend some time on shortly. It also has miscellaneous amendments to the act which provide access to the Victorian Civil and Administrative Tribunal. Again I put on the record for the minister the issues associated with the workload of VCAT, of the issues associated with speedy resolutions and decision making to ensure that this organisation is not overworked to the extent where it is unable to allow people to get through the processes in a speedy and appropriate manner.

During the consultation period I wrote to Gippsland pawnbrokers, Wellington pawnbrokers, Castlemaine pawnbrokers, Norm's pawnbroker in Mildura, Valley Pawnbrokers in Morwell, Acland Pawnbroker and Second-hand Dealer in St Kilda, Cheap Cheap second-hand pawnbrokers in St Albans and Cash Converters at its state senior office. I visited and spoke to the local Cash Converters and also Instant Cash in Pall Mall in Bendigo. The conversations I had with the two managers at the Bendigo stores gave me a greater understanding of the type of clientele who use these services and the way in which these pawnbrokers operate. The reason the National Party has said it will not oppose the bill is that currently in Victoria all registered second-hand dealers can operate as pawnbrokers so long as on their initial registration they declare their intention to do so. There are approximately 6500 second-hand dealers in Victoria. However, there are no really clear records of how many of these are operating as pawnbrokers. The bill will introduce an endorsement scheme for pawnbrokers with the intention of improving the identification and regulation of the industry. This will mean that a pawnbroker will require a separate endorsement on their registration.

There is an issue of costs associated with this change. Currently a second-hand dealer who can operate as a pawnbroker is incurring costs of around $140, consisting of a $110 application fee plus a $30 annual fee. The new costs for pawnbrokers are to rise to $400. That is to apply pro rata until the end of the first year. It is intended to cover the costs associated with regulating the industry — namely, the new full-time inspectors who will operate from Consumer and Business Affairs Victoria.

As I said, I did consult widely. Alby Vickers from Castlemaine pawnbrokers rang. The only part of the legislation he had concern about was the issue of residual equity. Many people bring things in that are damaged or broken and never come back to collect them, and the pawnbroker has to pay to have them fixed. That is considered to be most unfair. However, as far as the rest of the legislation is concerned, he was quite comfortable.

I provided the same opportunity to Instant Cash and had discussions. I also spoke to Cash Converters. I will quote extensively from the letter of 15 November I received from Cash Converters. The author of the letter is John Brophy, the Victorian state manager, who has been involved in the process quite extensively. It says:

> Cash Converters welcomes many of the changes the amendments bring to the industry in offering consumers a

> higher level of integrity and protection in dealing with second-hand dealers and pawnbrokers.
>
> We welcome the separate registration scheme for pawnbrokers with the annual endorsement of the authority.

The letter goes on to say:

> Improved enforcement and increased penalties will contribute to improved compliance and again the consumers will benefit with the vast majority of businesses being conducted according to legislative requirements.

So what we have is one of the biggest chains that operates as a pawnbroking business welcoming many of the changes in this legislation.

The letter goes on to say:

> It is disappointing however, and of serious concern, that an unreasonable burden has been placed on the industry with the introduction of the entitlement of a person to claim residual equity and the obligation for the pawnbroker to contact the customer regarding residual equity amounts (over $10) after the sale.
>
> In examining the submissions by the stakeholders this entitlement of residual equity after the goods have been sold was never raised as a consumer need. There was never any data or evidence put forward as to consumers requesting the ability to retrieve any residual equity. In fact there was a degree of concern about protecting the privacy requirements of consumers.

That is a very important issue.

> It is claimed that this is a reinstatement of a section of the 1958 act. This may have been appropriate 42 years ago however in 2001 the pawnbroking industry is effectively only three years old under the current legislation. In this time there have been no complaints directly to the CBAV, Consumer Affairs or any other Victorian government body in regard to the residual equity on unredeemed pawns.

I have a couple of the forms that the pawnbroking firms use. I was not particularly impressed with the amount of interest they are able to charge because it gave me an insight into the very desperate need some people find themselves in in having to pawn goods, and the costs associated with pawning those goods. However, the Cash Converters loan form is very good. It sets out the declarations and acceptance of conditions that are required under the 1997 second-hand dealers and pawnbrokers regulations. Schedule 4 is a notice to a person pawning goods. Schedule 5 is a request not to send a notice that pawned goods be sold. On each of these forms there is an opportunity for the person to read the conditions and understand what they are signing.

The basic tenor of the information I was provided with is that in many cases this is a cash flow issue. It is about people getting access to between $50 and $100 and then being asked to pay an agreed interest rate. Cash Converters charges about 30 per cent on a 21-day contract. The private operator down the road operates on a 20 per cent, 21-day contract. The explanation given to me was cleverly done, because it will be easy for the house to understand the implications of what the case is now for people who pawn goods, and the future implications as far as residual equity is concerned. I have some concerns, particularly with the impact on people who are pawning goods, the consumers — the people who are most vulnerable and most exposed.

If a television is brought in with a value of $300, in the current circumstances the pawnbroker would offer a loan of $100. To redeem the goods with a 20 per cent interest rate at the end of the 21-day contract the person would be required to pay $120. With the new provisions being put in place, where residual equity is a component of the loan there may be circumstances where the person is unable to redeem the goods after 21 days and the pawnbroker may agree to extend the contract for a further period, which would incur costs.

If the television is sold for, say, $300, the pawnbroker must offer a warranty and ensure that the television is working appropriately. He must also advertise and the television takes up floor space. There is a range of associated costs together with the residual value of the television. Depending on the type of item sometimes the items are hard to get rid of, particularly in a second-hand market where values are not much different from the prices of new goods.

What will now occur with the issue of residual value is that where the television was valued at $300, $100 was lent on it and $20 interest was paid, a residual value of $180 would be left. That would be $180 less the costs associated with the pawnbroker selling the goods — and that may take anything up to 12 months, as has been acknowledged in the legislation. The pawnbroker will more than likely place a value on those goods that is closer to the market value, which in this case may be $200, so that the value of the warranty and the cost of advertising, display and a whole range of costs associated with the selling of that product may mean the residual value is eroded or minimised. The hardship that that will place on the person who is coming in to pawn the goods is quite transparent. When the person brings in the $300 television and the pawnbroker gives him $200 that is a very attractive amount of money. To redeem the goods the person will have to pay $240, because that amount at 20 per cent over a 21-day contract works out to $240, which means that the residual value is less.

Fewer people will redeem their goods so a whole range of people at the most vulnerable end of our society will be exposed to selling their goods at a reduced cost or at market value. In fact the people we are setting out to protect will not receive the level of protection that is intended to be given to them by the bill. We will have reduced prices for goods, and while they will certainly get cash up front the enthusiasm to redeem those goods will not be there. That area needs to be revisited because it is a major stumbling block in the legislation.

Cash Converters raised 15 concerns with me, so it is not as if it is merely trying to make up excuses as to why it finds the bill difficult. It took part in the review process and agrees with many of the new application and enforcement and penalties provisions. However, it is concerned that it will involve a diminution of consumer benefits in dealings with pawnbrokers. I am fearful that this bill is a double-edged sword. Instead of protecting the most vulnerable in our community, we are potentially providing a mechanism to allow a higher value to be placed on the goods they pawn and creating a greater difficulty for people who pawn goods to service redeeming amounts. The letter goes on to say there will be an:

> Increased cost burden to the industry resulting in higher costs to the consumer.

One of the other issues is how many people can be tracked down. Obviously some pawnbrokers are quite transient — they move quite often — and from the discussions I have had it seems to me that the issue for them is more a cash flow and cash management problem than one of reducing the amount of goods they have.

There is also the potential, as Cash Converters says, for reduced employment in the industry. It is interesting that Cash Converters has increased its employment levels threefold in the last three years. Given its plans for expansion in Victoria, future employment will also be threatened. It suggests that up to 200 jobs may be lost over the next five years.

Cash Converters also refers to the calculation and monitoring of the 'reasonable cost of sale'. It says that some items can take many months to sell and it points out that there is a daily accumulation of the costs of sale. It was interesting for me to walk into a store and see a range of new goods on sale. They were obviously purchased in bulk by either Cash Converters or the people it is associated with in a chain, and it was able to retail them at prices that were competitive, if not under, the prices in major stores.

Cash Converters also talks about the definition of 'prescribed costs'. I would like the minister to explain what 'reasonable costs of sales' means in proposed section 23A to be inserted by clause 31, and whether it includes prescribed costs. One of the things we need to clarify in this whole issue is what are the costs associated with the sale of a pawned item. Do they include the amount of floor space it takes up, a component of the rent that is paid by the person who operates the business, a percentage of the wage and operating expenses associated with the business or the cost of the advertising associated with the business? Is it appropriate to include the cost of a 6-month or 12-month warranty associated with the sale of the particular item? A range of issues needs to be addressed in the explanation of what are reasonable costs.

It is unfair for the government to expect pawnbrokers to be out of pocket and to jeopardise the viability of their businesses in ensuring that the residual equity is paid to people who have pawned their goods.

Another issue Cash Converters raised is how multiple items that have been pawned will be catered for. I will not disclose names, but in one of the stores I visited a range of electrical goods and various items were pawned for a bulk amount of money — it is best to be as vague as that. The value of the goods that were pawned, which included a whole range of electrical goods, was about $6000, but the people who pawned the goods received only $1000 to resolve a cash-flow problem. How do we decipher what component of those electrical goods is associated with the $1000 loan when a number of items had been pawned together? What will happen if the unfortunate circumstance arises and people cannot redeem their goods? How will all that unfold and what provision is made in the legislation for that type of complexity? It is complex, and I do not know the answer. I would be particularly interested to hear an explanation from the minister.

There is also concern about the privacy provisions. At a time when even members of Parliament are being questioned about privacy provisions and the way we handle constituents' inquiries this legislation is going in the opposite direction because it is exposing a whole range of information about one's private life to the marketplace. I would be particularly interested if the Minister for Consumer Affairs could provide some guarantees that the privacy rights of people who pawn goods are protected. Clearly there is a potential for those privacy provisions to be abused. As I said, it may be an unintended consequence of this legislation, but at a time when we are looking to ensure that privacy is protected there are concerns about how residual value and people's individual privacy can be protected.

Cash Converters goes on to say that it offers a 90-day warranty and that that is another benefit that may disappear if residual equity is paid and goods are then found to be faulty. That is a very legitimate and understandable concern. There is also a concern about the impact on cash flow of businesses having to hold residual equity for 12 months. In this legislation we are saying that at any time within 12 months of a person pawning goods and their being offered for sale that person has an opportunity to come back and make a claim for that residual value over $10. Pawnbrokers will face a range of new bookkeeping and cash-flow problems.

The National Party sees a circumstance where there are a range of issues which need clarification. The minister said as an aside before, 'Trust me'. I am prepared to trust the minister but there needs to be clarity. I sometimes become very fearful when we give inspection powers to people who have not had authority before. Some people have the ability to handle authority well. Unfortunately, when people have a little bit of authority there is a potential for them to go absolutely over the top. This bill provides the potential for infringement notices to be issued basically on the spot. It provides for entry powers and a range of very wide and open investigative and inspection powers that need to be controlled.

They are my major concerns. However, I would like to put on the record the work that has been done during the review. While I do not agree with all the outcomes that have been achieved, I know that the people who have been involved in the Good Shepherd review came to the table looking to arrive at a circumstance that provided certainty and protection for those who use this industry. The National Party has consulted widely and the bill generally has wide acceptance in the pawnbroking industry. However, as I said earlier, the bill could have unintended consequences for these consumers who are unfortunately the most vulnerable in our community. I hope that is not the case. The bill also has costs associated with complying with the residual equity provisions and that could cost jobs.

I would be very pleased if the Minister for Consumer Affairs could take on board the questions I have raised and I would be delighted if she could provide me with answers to those issues in her response to the second-reading debate because, particularly in country Victoria, the loss of even one or two jobs out of a small business has a severe impact on the community's viability and robustness. With those few words, the National Party will not be opposing this legislation.

Hon. E. C. CARBINES (Geelong) — I am very pleased to speak in support of the bill which aims to protect some of Victoria's most vulnerable consumers — those people who, for a multitude of reasons, find themselves in a situation where they decide to pawn a possession in order to secure a loan. It is very timely that this legislation has come before the house in the lead-up to Christmas because this is a time when many Victorians go into huge amounts of debt to get through the Christmas season. Buying gifts and other items for friends and family often places Victorians in a very vulnerable situation, especially with the high use of plastic money at this time of the year.

I was interested to read on page 4 of the *Age* today an article by Leon Gettler headed 'Personal bankruptcies soar 30 per cent as household debt reaches $72.5 billion'. I will quote some figures from that article because they pretty much indicate the vulnerable situation in which many Victorians and Australians find themselves if they get into debt and in that situation they may very well end up being the customers we are seeking to protect through the legislation before us today. The article states:

> Household debt has soared to a record level, with personal bankruptcies jumping nearly 30 per cent in the past 12 months.
>
> Figures released by business information and debt collection agency Dun and Bradstreet reveal that consumer debt rose to $72.5 billion at the end of September, up more than 7 per cent on the previous year.
>
> More than a quarter of the debt was attributed to outstanding credit card advances, which totalled $18.9 billion in September. This was more than double the amount recorded in January, 1998, or about $2000 a card.

Those facts tell a story in themselves and, as I said, may very well explain the rise in the second-hand dealing and pawnbroking industry which was noted by the previous speaker.

I have to confess that the pawnbroking industry is not one with which I have had any contact in my life as a consumer. I am very fortunate that I have not, and I hope that remains the case. I looked in the phone book to see how many pawnbrokers are listed in my electorate of Geelong Province and was surprised to see there are only two, although quite a number of second-hand dealers are listed in Geelong. One of the pawnbrokers is located in Belmont and the main one is in Moorabool Street, Geelong.

Since I was elected a couple of years ago I have not had any constituents raise any issues with me in relation to pawnbrokers or second-hand dealers. However, I am

aware through the media, as most honourable members would be, that the actions of some individuals in the industry have led to calls for closer scrutiny of the pawnbroking and second-hand dealing industries.

The Bracks government is committed to improving and enhancing consumer protection in Victoria and, in particular, in these two industries. As a result, a review was undertaken of the principal act, the Second-Hand Dealers and Pawnbrokers Act of 1989, to establish whether it was sufficient to protect the rights of people who wanted to pawn goods to secure loans. The review highlighted the problems associated with the industry concerning compliance with notices and signage requirements, and it also highlighted the need to improve enforcement.

The bill before us reflects the findings of that review and its passage will therefore amend the principal act to require, first of all, the separate registration of pawnbrokers as distinct from second-hand dealers. Through the requirement for pawnbrokers to register separately, the enforcement of regulations to do with the pawnbroking industry will be facilitated.

Powers of inspection will be introduced for pawnbrokers. Inspectors from Consumer and Business Affairs Victoria will be able to impose penalties for non-compliance with the act in relation to signage and such matters as record keeping.

The bill will also provide for the Victorian Civil and Administrative Tribunal to hear matters referred to it by Consumer and Business Affairs Victoria or the Victoria Police relating to disciplinary action against offending pawnbrokers. The police will also be able to refer to VCAT matters involving second-hand dealers who have been dealing in contravention of the act.

The disciplinary action which VCAT will be able to undertake will entail such things as the imposition of fines and the suspension or cancellation of registration. In this way the Bracks government aims to send a very clear and strong message to pawnbrokers and second-hand dealers that they must deal honestly and ethically with their customers.

A controversial part of the act — the house heard the previous two speakers attest to this — deals with the reinstatement of a provision for residual equity into the principal act following its removal in 1997 when the act was amended. Residual equity refers to unredeemed goods that are sold by pawnbrokers. Residual equity is the amount remaining after the sale when all the costs of the pawnbroker have been paid. This bill will ensure that consumers will have 12 months from the date of sale to claim the residual equity on their goods. Further, pawnbrokers will be compelled to notify customers that their items have been sold if the residual equity claimable is more than $10. Pawnbrokers must send this notification within 14 days of the sale of an item. Failure to comply with these provisions will be an offence under the act.

Concerns regarding the reinstatement of residual equity have been raised with the government during the consultation period. However, it must be remembered that residual equity existed in Victoria prior to 1997 and that the passage of the bill will bring Victoria into line with two other states of Australia — that is, New South Wales and Queensland. It is also important to point out that the previous government removed the residual equity provisions which were in existence in Victoria.

The Bracks government is very keen to ensure that consumer rights are protected, and will carefully monitor the application of this residual equity provision. It must make sure that the costs deducted by pawnbrokers are reasonable and that consumers are not disadvantaged in any way.

A further section of this bill relates to the banning of the pawning of motor vehicles. The review undertaken of the principal act identified this issue as being significant, inasmuch as it revealed that pawnbrokers have been advancing relatively small amounts of money in relation to the value of cars offered for security for loans. This issue is of significant concern to the government because for many of the most vulnerable Victorians their car is arguably their most valuable asset. The bill will therefore amend the principal act to protect the interests of such vulnerable Victorians who, in their desperation for cash, are prepared to pawn their cars.

A further provision of the bill will amend the principal act so that any document issued by a statutory authority which includes a photo of the person concerned will serve as proof of identification for a person wishing to pawn goods. In this way the government seeks to increase the range of documents people can use as proof of ID.

The review that was undertaken of the principal act revealed that this issue is important to those consumers who are the most vulnerable of consumers in Victoria who often do not possess the types of ID that perhaps other consumers have, such as passports. They will now be able to produce identification, as long as it contains a photo of themselves. Conversely, it is vital that people are able to appropriately identify themselves for the

purpose of tracking stolen goods, which sometimes arises through this industry.

This bill is all about ensuring the protection of Victorian consumers who choose to pawn goods. Importantly, the government believes that it does not disadvantage the industry but rather promotes honesty and ethical trading. I therefore commend the bill to the house.

Hon. G. B. ASHMAN (Koonung) — This is a difficult piece of legislation which deals with a subject that most of us would be quite unfamiliar with. It sets out to provide some assistance and protection to a group of consumers who are really quite vulnerable.

It provides for the regulation of and changes the licence provisions for pawnbrokers and second-hand dealers. It also provides for an improvement to the enforcement provisions of the existing legislation. The most contentious part of the change is that which relates to residual equity, and there has already been quite considerable discussion on that subject. Importantly, it also now prohibits the pawning of motor vehicles, which in recent times has presented a number of difficulties.

Pawnbroking has gone from being a neighbourhood activity to an activity which involves a number of quite large organisations and franchise groups. It is now a national industry. Originally pawnbroking was very much the local neighbourhood activity. It has changed; pawnbrokers are now found in most suburbs and in most larger country towns.

Pawnbrokers serve the needs of a group of people in our community who do not have access to normal credit facilities. A large number of people who utilise the services of pawnbrokers do not have and would not qualify for credit cards. They are invariably used by people who are looking for money on the short term for a very immediate need.

Increasingly my advice is that now people are more likely to sell their goods rather than pawn them. The advice I have had from the local Cash Converters and a number of other larger groups is that a greater proportion of their business now deals with goods being sold rather than pawned.

One of the concerns I have with this legislation is that while it focuses on pawnbroking, I believe it will encourage existing pawnbrokers to focus more on purchasing goods outright rather than providing short-term loans to people who can then redeem their goods.

In Victoria we have somewhere between 6000 and 7000 second-hand dealers and somewhere between 150 to 200 pawnbrokers. It is fairly difficult to get accurate numbers for both those categories, but clearly the second-hand dealers are the dominant group. Second-hand dealers can be from what might be broadly termed the trash and treasure end of the business right through to antiques and collectables, where they trade in quite high-value antique furniture, paintings and other items. Also included in the second-hand dealer category are all motor vehicle dealers. So the second-hand dealer classification covers quite a wide range of activities.

This change in the legislation provides for a change in the registration system. All pawnbrokers will now be required to be second-hand dealers and hold a second-hand dealer's licence and then have an endorsement to that licence that they are also a licensed pawnbroker. The fees change considerably. From being $150 for a second-hand dealer's fee plus a $30 surcharge for a pawnbroker's licence they now increase to $400 per annum. I question the costs there, notwithstanding that the stated intent of the increase is to provide an inspectorate.

The inspectorate will have wide-ranging functions, and the enforcement provisions within the legislation have been strengthened considerably. In recent times the evidence is that the inspections have not been as rigorous as they could have been. I understand regular inspections have not been the standard practice, and with this change they may become more regular. I have always had concerns that some of the pawnbrokers and second-hand dealers are in a position to receive stolen goods and some of the checks and balances that are supposedly in the system are not being followed to the letter of the law. One would hope that this inspectorate might now be able to address some of those issues, particularly the registers of goods being pawned or purchased and the provisions that relate to the identification of the individuals who are pawning or selling goods.

I find parts of the registration provisions a little curious, in that they require each member of the partnership to be registered. That would mean, if there were half a dozen partners in a business, that the business would have a registration fee of $2400 per annum. However, an incorporated business of the same size in a similar locality and premises would only have one fee. That puts some imbalance into the system. While it is not a significant sum when taken across a year's trading, it may provide a minor competitive advantage for those who operate through an incorporated entity.

The contentious issue relates to the residual equity. The legislation reintroduces a residual equity and provides for that equity to be returned to the client within 12 months of the product having been originally pawned. It presents some difficulty. While it sounds simple, I can see significant problems for the pawnbroker, not the least of them being the ability to find the person who originally pawned the goods. Many of the people who pawn goods are somewhat transient. Generally, they are people who we might call the battlers, and their addresses might not be as permanent as those of honourable members. There is a difficulty in having the pawnbroker find these people. There is also a cost involved in tracking them down.

Further, there is the question of how the pawnbroker deals with the money that is held. It is effectively held in trust, but as I read the legislation there is no provision for trust accounts — I am not convinced there should be, because again that adds to the overheads of running the operation.

The question that will always arise is what is a fair price for the sale of an item that has been pawned. Mr Best gave the example of a television, but you could take an example from a range of goods. What we might see as fair value for those goods might not be what the market says is fair value. Fair value is what someone else might pay for those goods. I can see a set of circumstances where an item might be pawned for, say, $50; the owner might believe it has a value of, say, $200 or $300; but its second-hand value might only be $100 at sale. So there is the potential for significant dispute between the people who have pawned the goods and the pawnbroker about that value.

The other issue that is quite unclear is what are reasonable costs that will be incurred in selling these second-hand goods. All pawnbrokers would have a storage area, and there would be minimal costs in maintaining that storage area. Once the item is moved from storage after the redemption period has expired, the costs change quite dramatically, because the item will then be moved to a retail area where the overheads are quite different and the cost of floor space is very different. The floor space at the front of the shop is of a much higher value than the cost of space in the storage area.

What will be the reasonable advertising costs for an item? What warranty costs will be applied? What will be a reasonable time to allow for the item to be sold?

Hon. K. M. Smith interjected.

Hon. G. B. ASHMAN — A reasonable time for some items may be only a matter of weeks, Mr Smith. However, for other slow-selling items it may be that six months is a reasonable time to wait. Then there will be the trade-offs of costs that can be applied to that item. Do pawnbrokers have a set of costs that they amortise as a percentage of cost or do they try to do it item by item?

Under this legislation the minister will be able to make regulations on reasonable costs. The question we pose is: how will she define what these reasonable costs are? Frankly, I do not know how it can be done on a whole range of items that may vary from bicycles to golf clubs to televisions to a roll of carpet because it could be anything or everything in terms of cost. That will be a challenge for the minister and we will watch with interest as these regulations come through.

The other change I alluded to earlier relates to motor vehicles. It will now be no longer possible to pawn these items. Some fairly sad stories have been told about persons who have pawned motor vehicles. It makes good sense to remove them from these provisions. An owner might put a value of a couple of thousand dollars on a motor vehicle but a pawnbroker would probably put a value of $250 on that car based on the knowledge that it would have a wholesale value of about $400 and that if the car were to be retailed they might recover $2000. A couple of hundred dollars becomes an expensive proposition for a person seeking a short-term loan.

I will conclude with a couple of minor items. My view is that although this legislation has been introduced with good intent the ultimate outcome will be a further diminution in the number of pawnbrokers out there and an increase in the number of second-hand dealers who will purchase goods outright, which will ultimately lead to the removal of this service to those people who, as I said at the start, are unable to obtain a loan from the traditional sources — the banks or the credit unions. Ultimately they will be the ones who are disadvantaged. With those comments, the Liberal Party does not oppose this legislation.

Hon. P. A. KATSAMBANIS (Monash) — I repeat the comments of my colleagues that the Liberal Party opposition will not oppose the passage of this bill which amends the Second-Hand Dealers and Pawnbrokers Act. It makes some fundamental changes to the operation of pawnbroking in this state. The majority of those changes have been well canvassed and well explained by previous speakers, in particular the Deputy Leader of the Liberal Party and the shadow minister for consumer and business affairs, the

Honourable Carlo Furletti, who covered the operation of this act very well in his contribution.

Firstly, I want to put on record the tremendous contribution that the vast majority of pawnbrokers make to our society. It is unfortunate that some people in our society need to pawn their goods to obtain quick and ready finance. Usually those people need assistance because they are unable to obtain finance from the more traditional sources, such as banks, and they may not have ready access to credit card facilities. Such people were described by Mrs Carbines in her contribution as the more unfortunate people in our society who often access pawnbroking services.

I have never had the need to access those services, but I have done some significant research into the operation of pawnbrokers in Victoria. I have found that although statistics are hard to come by, as has been explained by previous speakers, in the *Yellow Pages* for the whole of Victoria there are 140 listings of pawnbrokers under the heading of 'Pawnbrokers' as distinct from second-hand dealers. Of those 140, 120 are listed in the metropolitan area. When I broke the numbers down to those in my electorate I found that 19 of those 120 are in my electorate, which means that one-sixth of all Melbourne metropolitan pawnbrokers operate in my electorate of Monash Province.

I cannot say I have spoken to all those businesses, but over the past three to four years, particularly since the changes to the act in 1997, I have had cause to speak to a good number of people who operate pawnbroking businesses and have found them in the main to be concerned that they comply and continue to comply with the legislation. In discussions I have had with my local pawnbrokers about this bill they outlined to me the importance they place on compliance, but they also highlighted the concerns they have that this bill may not necessarily, despite its intentions, assist in the proper regulation of pawnbroking in this state.

Conversely, the bill may lead to the destruction of an existing legal set of businesses that offer pawnbroking services and at the same time create a more nefarious type of pawnbroking that may operate outside the official regulatory framework because of the onerous obligations placed on pawnbrokers, in particular the obligations in proposed section 23A, which introduces the concept of residual equity.

Other honourable members have explained how it will operate. It will be interesting to see how pawnbrokers and clients of pawnbrokers will adjust to proposed section 23A, firstly, in determining what are reasonable costs of sale when trying to determine residual equity, and secondly, in many cases identifying the amount loaned on a particular item where a gross amount may have been loaned over a whole series of items. As Mr Best outlined in his contribution, it could be fraught with danger and difficulty for pawnbrokers.

Other issues are the transient nature of certain clients of pawnbrokers. Despite the best efforts of a pawnbroker, those clients may not be able to be contacted and, unfortunately, the pawnbroker will effectively be holding onto moneys on a trust basis for a period of up to 12 months when clients may no longer have any intention of redeeming the goods or recovering any residual amount. The bill imposes significant obligations on pawnbrokers.

Based on discussions with local pawnbrokers in my electorate, my concern is that legitimate operators in this industry will be driven out because they will simply find it too hard and will convert to being second-hand dealers who only buy goods. There may be a nudge-nudge, wink-wink arrangement under the counter so that if people presented in a reasonable period they could purchase their goods. That in itself is a concern to members of this house. Worse still, individuals may set themselves up outside the legal framework and operate as pawnbrokers outside the regulatory framework, which is also fraught with danger and completely defeats the well-intentioned purposes of the bill.

The disappearance of a legal pawnbroking industry in Victoria will hurt the very people that the legislation intends to protect — that is, those vulnerable people who at a particular stage in their lives may find it attractive to pawn their goods for a short period and when their circumstances change recover what may often be important family heirlooms and get on with their lives.

If the industry disappears they will be placed at the mercy either of illegal loan sharks or the nudge-nudge, wink-wink arrangement of the second-hand dealers who have purchased their valuable goods. It is difficult to understand how a government that continually pays lip-service to social justice and the concept of providing for the unfortunate and underprivileged in our society introduces this sort of legislation when players in the industry have made it clear to me that it is likely to hurt the very people the government is supposedly trying to support with the introduction of the legislation.

Pawnbrokers in the main have provided a valuable service in our community. Often people, particularly honourable members on the other side of the house, think that social good and social services are something

that is provided on a not-for-profit basis, but industries such as pawnbroking provide an important service to a range of people in our society who are not looked after by the big end of town — that is, those who are not effectively looked after by the more traditional lending institutions such as the banks and building societies, and they have found significant support in times of need from the pawnbroking industry.

It is sad to think that legislation drafted to protect those clients of pawnbrokers will lead to the destruction of the industry that is providing a valuable service as well as being a legitimate business. I hope the minister monitors the legislation, in particular the $10 residual equity amount that is currently provided for in it, because she is given power under proposed section 23A to alter the prescribed amount to any other sum. If it proves to be difficult and cumbersome, I imagine the minister will look at it and increase the $10 value of residual equity to a more appropriate sum.

Inspectors will be given analogous powers to those given to inspectors under the Victorian Motor Car Traders Act, the Prostitution Control Act and the legislation governing brothels.

The only thing I want to point out, apart from the fact it is sometimes difficult to envisage in legislation how an inspectorate would work in practice — and I hope the minister and her department will monitor it to ensure that the inspectors are complying with the legislation in both letter and spirit — is that honourable members may or may not be aware that the Law Reform Committee, of which I am a member, is currently conducting an inquiry into powers of inspectors in relation to entry, search and seizure, with a view to hopefully standardising those powers. I implore the current drafters of legislation, as this inquiry is being conducted, to look at the discussion paper that the Law Reform Committee has produced to hopefully get some guidance in producing more standardised and more even powers to inspectors across a broad range of legislation, rather than cherry picking what might be appropriate powers in one piece of legislation and putting it into another bill where those powers might be completely inappropriate.

On that note I again place on record my concern that this bill, with all the good intentions in the world, may hurt the very people it is purporting to support and protect. I hope the minister will monitor the legislation and its impact very closely to ensure that if any negative consequences arise they are addressed as soon as practicable. The Liberal Party does not oppose the passage of this bill.

Motion agreed to.

Read second time.

Third reading

Hon. M. R. THOMSON (Minister for Consumer Affairs) — By leave, I move:

That this bill be now read a third time.

In so doing I thank honourable members for their contributions to the second-reading debate. A couple of issues were raised in the debate that I would like to clarify. In relation to the question of residual equity, the Honourables Carlo Furletti and Ron Best raised the issue of keeping a monitor on this and the effect of the amount that has been set at $10. I undertake that we will certainly be monitoring the effect of that.

Also, in relation to the issue of privacy — I think the Honourable Ron Best raised it — currently those who pawn goods are already required to give an address. They can also give a postal address that is different from their residential address in the details that they already provide, and they can continue to do so to maintain any privacy they wish to maintain. So they have a choice of giving alternative addresses if they wish to do that.

I thank honourable members for their contributions to the second-reading debate because I know it was done with a genuine commitment to try to ensure we have a pawnbroking industry that acts effectively and honourably and looks after what are some of the most vulnerable people in our community.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

AUCTION SALES (REPEAL) BILL

Second reading

Debate resumed from 4 December; motion of Hon. M. R. THOMSON (Minister for Consumer Affairs).

Hon. M. R. THOMSON (Minister for Consumer Affairs) (*By leave*) — Mr Deputy President, I wish to clarify for the *Hansard* record the commencement dates contained within the Auction Sales (Repeal) Bill 1958 in order to clarify possible confusion. Section 35 of the Auction Sales Act will be repealed on 1 January 2002

to coincide with the introduction of the Livestock Disease Control (Amendment) Regulations 2001.

Clause 7 of the bill, which inserts a new section in the Livestock Disease Control Act 1994, also comes into effect on 1 January 2002. The remainder of the Auction Sales Act 1958 will be repealed on 1 January 2003 if not proclaimed earlier.

Hon. C. A. FURLETTI (Templestowe) — I am pleased to contribute to the second-reading debate on the Auction Sales (Repeal) Bill. I am very pleased to indicate that the opposition will support the passage of this bill. It has had a fairly lengthy gestation period. In fact, it was introduced in the other place on or about 3 April, and when introduced a number of problems were identified. Many people, particularly in the country, were very concerned about the impact it would have on livestock sales.

So it was that it has taken some eight months for the matter to be appropriately resolved, and it was the contributions of the opposition, the Stock and Station Agents Association, the Livestock Saleyards Association and other affected groups that led to regulations being prepared and parties working cooperatively to ensure that there were no adverse effects to the bill.

The bill is a very brief document. As the minister indicated in her explanatory comment, the various provisions commence at different stages, relative to maintaining a sense of integrity and assurance that the Livestock Disease Control Act and the regulations made thereunder will remain operative and the provisions relating to the auction sale of livestock and the maintaining of registers under the act remain in operation and effective.

Honourable members will be aware that earlier today the house approved and passed the regulations under the Livestock Disease Control (Amendment) Bill. They are intended to be introduced on 1 January 2002, so these two bills need to be dealt with in tandem to ensure that the area addressed in the Auction Sales Act is covered. Given that it has taken eight months to do this, we are pleased that we have come to the stage of passing the bill today, sooner rather than later.

The provisions of the act, as I indicated, are very brief. One needs to recognise that the main thrust of the bill is to repeal the Auction Sales Act 1958. In repealing the principal act it is important that the elements of it that need to be retained are in fact retained. The repeal provisions are in clause 3. The requirement for the retention of the registry of cattle in clause 3(1), which refers to section 35 of the principal act, is repealed effective on 1 January 2002 because of the regulations under the Livestock Disease Control (Amendment) Bill coming into effect.

One assumes from a reading of clause 2(4) that the main repeal provisions will come into effect progressively but no later than January 2003, with the intent that those who are affected will have plenty of notice as to its repeal. Clause 4 amends the Estate Agents Act by substituting a new paragraph (a) in section 13B(2). Currently the cross-reference to 3(2) in the Auction Sales Act gives effect to the provision, so what is happening is that the current provision is being transported across to the Estate Agents Act.

The amendments to the Forests Act are to give effect to the removal of the reference to auctioneers licences, and the remainder of the amendments, which are to a number of acts referred to in the second-reading speech and which I will not repeat, are to consequentially amend references to licensed auctioneers which with the repeal of the requirement no longer exist.

The Auction Sales Act is a somewhat redundant piece of legislation, and the decision to repeal it arises out of a review undertaken by the Honourable Haddon Storey in 1999. The review found there was no justification for continuing to licence auctioneers of goods, because if a person had six friendly neighbours who were prepared to sign as to the person's character and was willing to pay a fee then he or she became an auctioneer. In its prompt action to implement the review of the Honourable Haddon Storey the government disregarded to some extent the issue of cattle sales and the regulations of the Livestock Disease Control Act, and so those matters were required to be addressed, which has now occurred.

It was gratifying to see that in its consultation with those affected the government heeded the advice and opinions of the umbrella organisations that were referred to. It clearly took the concerns to heart, in particular the problem that to repeal the act without further consideration would seriously impact on livestock auctioneers, and also the fact that there could be some serious concerns with respect to tracking diseases and the like. Following the amendments that were introduced in the other place the bill is now in acceptable form, and we wish it a speedy passage and commend it to the house.

Hon. E. J. POWELL (North Eastern) — The purpose of the bill is to repeal the Auction Sales Act 1958. It also makes a number of consequential

amendments to a number of other acts. The minister clarified the commencement dates earlier.

The Auction Sales Act 1958, which is the act to be repealed, provides for the licensing of auctioneers of goods, including livestock and farm produce. It is to be repealed because the government believes the licensing regime is outmoded and also cumbersome. The bill amends the Estate Agents Act 1980, the Forests Act 1958, the Instruments Act 1958, the Livestock Disease Control Act 1994, the Meat Industry Act 1993, the Motor Car Traders Act 1986, the Murray Valley Citrus Marketing Act 1989, the Police Regulations Act 1958, the Second-Hand Dealers and Pawnbrokers Act 1989, the Summary Offences Act 1966 and the Transfer of Land Act 1958. Although the bill has the effect of amending a number of acts it specifically removes the reference to the licensing of auctioneers.

The National Party does not oppose this bill. We made a number of requests to the government. We asked for bill be deferred until regulations were placed in the Livestock Disease Control Act of 1994, and those amendments were included in a bill today. We are very pleased that the government responded to those requests and that the minister accommodated other changes that we thought needed to be protected.

The bill preserves the record-keeping requirements for tracking and controlling livestock diseases, a protection which is important to keep. I was recently in the United Kingdom on my Commonwealth Parliamentary Association trip and saw first hand the effects of the outbreak of foot-and-mouth disease. I spoke to some of the locals in the rural part of England where the outbreaks were occurring and saw the effects not just on the agricultural industry but also on the retail, commercial and tourist industries. As an exporting nation we must retain our clean, green image. We in Australia have to ensure that we do not get a similar disease coming to our shores.

Australia is an exporting nation, and the markets are huge. When the coalition was in government it set a target of $12 billion worth of exports to be reached by the year 2010. I understand that at the moment we have already reached $5.7 billion, and that is really important. I was pleased to see that the current government supported the $12 billion target and is helping the agricultural industry to secure it.

This bill is the government's response to the recommendations of the national competition policy review of the Auction Sales Act 1958, which was undertaken in 1999–2000. The review committee stated that it consulted widely with all sorts of organisations, such as the Livestock Saleyards Association of Victoria, the Victorian Farmers Federation pastoral group, the Victorian Stock Agents Association, the Auctioneers and Valuers Association, the Real Estate Institute of Victoria and Victoria Police. As can be seen the review committee went to a number of stakeholders and gained their insight into the effects of repealing or amending this legislation in some way.

One of the committee's recommendations was to repeal the Auction Sales Act of 1958. It also concluded that the benefits of licensing the auctioneers of goods outweighed the costs. It raised a number of concerns about the auctioneering of cattle, and it was interesting to read the definition of 'cattle' under the Auction Sales Act 1958, because the definition is far broader than we would acknowledge. 'Cattle' means horses, mares, fillies, foals, geldings, colts, bulls, bullocks, cows, heifers, steers, calves, ewes, wethers, rams, lambs and swine. The definition of cattle is far broader than most people would believe it to be.

Another recommendation was that auctioneers of goods other than cattle should no longer be required to hold an auctioneer's licence, nor should licensing be replaced with a system of registration, notification or the like. Under the principal act, the definition of goods includes chattels, articles, matters or things or any interest or supposed interest therein. It is a broader definition of goods and cattle.

The review committee also recommended that the registration of auctioneers of cattle should be automatic upon payment of a registration fee and should be ongoing. It further recommended that registration provisions for auctioneers of cattle should be administered by the Business Licensing Authority.

The national competition policy review report, in assessing whether the Auction Sales Act 1958 was anticompetitive, stated that it also took into account the impact on the industry. That is extremely important in looking at competition or lack thereof. When taking something away we need to make sure about the impact on the industry, and ensure that it is not disadvantaged.

Currently there are about 1700 auctioneers in Victoria licensed under the Auction Sales Act 1958 enabled to conduct auctions of goods of any kind as defined in the act. The committee made the point that they do not operate in any single industry.

The committee also examined Internet auctions. Over recent years there has been huge growth in commerce on the Internet, and businesses have been looking at the potential this method offers. Goods can now be bought

and sold through auctions conducted online, and many auction sites have been established. A recent search of online auctions on the search engine Altavista revealed 14 086 matches.

The committee examined a small sample of sites and revealed they fell into four categories. The first category consists of sites established by existing auction houses. The second category is vendors who offered their own goods for sale by auction online. The third category consists of auctioneers who provide a facility for sellers to submit their goods for auction online and for bidders online. The fourth category is business people who are offering online services to people in connection with auctions. Even though online auctions are now big business, the review committee recommended that the act not be amended to cover Internet auctions.

In coming to its decision on this bill, the National Party consulted widely. The National Party spokesman for consumer affairs, the honourable member for Wimmera in the other place, wrote to municipal councils; the Livestock Saleyards Association of Victoria; real estate agents; the Real Estate Institute of Victoria; auctioneers; the Victorian branch of the Stock and Station Agents Association; the Stock and Station Agents Association Ltd, and a number of others. The honourable member received acknowledgment from the Stock and Station Agents Association, which expressed a number of concerns regarding the proposed amendments. It did not want unethical agents operating in Victorian saleyards and wanted to make sure saleyards maintained their existing quality.

At the request of the honourable member for Wimmera, the association met with the Minister for Agriculture. In a letter dated 23 November the Stock and Station Agents Association wrote to the honourable member for Wimmera after its meeting with the minister, and I will read part of its letter into the record. It states:

> I write to advise you that a delegation from the Stock and Station Agents Association Ltd attended a meeting with the Honourable Keith Hamilton — Minister for Agriculture and the Honourable Marsha Thomson — Minister for Consumer Affairs.
>
> …
>
> I am pleased to advise that an agreement was reached between the ministers and ourselves on the following basis;

The association then listed four points about which it was concerned, including the following:

> The repeal of the Auction Sales Act would proceed, on the condition that licensing of auctioneers (and specifically livestock auctioneers) would remain in force until new and appropriate measures are in place with respect to livestock agency.
>
> It was agreed that Minister Hamilton would form a working group to develop appropriate legislative measures that will underpin livestock agent licensing and operations. The group will comprise DNRE, SSAA, Wesfarmers Landmark and Elders VP representatives.
>
> It was agreed that Minister Hamilton would prepare and forward a letter confirming the issues discussed and agreed upon.
>
> As a result of the meeting the association is comfortable with the process of repeal in relation to the Auction Sales Act 1958, subject to receipt of a written agreement confirming the government's intention not to proclaim the repeal of the Auction Sales Act 1958 until appropriate measures are in force to underpin livestock agent licensing and operations.
>
> Minister Hamilton indicated that it was his intention to have the working group finalise development of new arrangements by June 2002 for introduction in July 2002.

The Minister for Agriculture wrote to Mr Andrew McCarron, executive director, Stock and Station Agents Association, on 22 November. The letter states, in part:

> As agreed, I have asked the Department of Natural Resources and Environment to convene an industry working group to explore options for training and accreditation of Victorian agents. The group should aim at reporting to the minister by June 2002.
>
> I expect the working group to include in its membership representatives from the SSAA, Wesfarmers, Elders and DNRE and to have the option of co-opting other members as required.
>
> Further, I will raise with my counterparts in other states the notion of a national scheme for livestock agent training.
>
> With regard to the establishment of a licensing regime for Victorian stock agents, the government's preference is for an industry self-regulating mechanism rather than for a legislative or regulatory licensing regime.

It has removed its opposition to the repeal of the act.

I will talk briefly about training, because it is important that we train our stock and station agents and also recruit younger people as agents. A 14 February article in the *Weekly Times* states:

> The lack of new blood in Victoria's livestock industry was highlighted at last week's young auctioneer competition at Bendigo.
>
> The event, which is restricted to agents aged 25 years and under, could only muster a field of four entrants from across the state.
>
> Kaine Lanyon, who presented the Graeme Lanyon trophy to the winner, said it was a worrying number considering Victoria's livestock industry was still built around the auction system.

> 'It's sad but there's not many young people coming through the stock agent ranks,' said Mr Lanyon.

The article goes on to quote one of the competition's three judges as saying:

> … aspiring auctioneers were finding it difficult to gain experience.

I want to place on record how proud I am of an agent in Shepparton, who won an award. Scott Butler, a director of Shepparton's Stockdale and Leggo, came second in the 2001 Annual Stockdale and Leggo Auction Championship. He competed against participants from Stockdale and Leggo offices throughout Victoria and only seven entrants progressed through to the finals. It is fantastic to see a young auctioneer making it into the big time. Scott said that he competed against metropolitan auctioneers who conduct an average of four or five auctions each week, compared to the minimum of two auctions he may perform on a busy weekend in spring. He said that it was the toughest auction of the 200 he has done. That shows how important it is that young people come into the industry.

Victoria's food industry is of vital importance to industry generally and to Victoria's economy. The livestock industry is a major player and it is important that it has a clean and green image. Saleyards play a vital role in that. An article headed 'Saleyards in spotlight', which appeared in the *Weekly Times* on 8 August, talks about the importance of saleyards:

> Livestock identification, quality assurance, animal health and market access are the challenges facing the livestock industry — and they dominated debate at the National Saleyards Convention in Melbourne.
>
> More than 200 delegates tackled the issues at the convention and organisers said it was clear there was widespread concern.
>
> Livestock Saleyards Association of Victoria executive officer Frank White said the convention had highlighted the integral role saleyards played in disease eradication and outbreak prevention.
>
> 'It was very clear that saleyards are seen as one of the first places an infected animal will be noticed,' Mr White said.
>
> 'The farmer who owns the stock might not see the symptoms of disease, so we are relied upon as the first line,' he said.
>
> He said discussion about foot-and-mouth disease had been particularly relevant, in the wake of the recent outbreak in the UK.
>
> Delegates were told a similar outbreak in Australia could cost the economy up to $5.8 billion in the first year, and billions more in ongoing recovery costs.

The new amendments to the Livestock Disease Control Act, which this house passed this evening, will implement a framework for the national livestock identification scheme (NLIS) to allow the permanent identification of cattle — and potentially other species of livestock — and will allow for the monitoring and control of livestock disease. This scheme is presently for cattle only and will be implemented in stages; however, sheep and pigs will come later. An identifying microchip will be attached permanently to each animal.

Clause 7 of the bill inserts proposed section 144 into the Livestock Disease Control Act 1994, which provides for the saving of the records of cattle sales kept under section 35 of the Auction Sales Act 1958 as if they were kept under section 94A of the Livestock Disease Control Act 1994, which comes into effect on 1 January 2002.

Finally, sales in agriculture is a huge business and it needs to be accountable. Victoria's estimated 1999–2000 turnover consisted of crop sales of $2.11 billion, livestock sales of $1.12 billion and livestock product sales of $1.87 billion. In 1999 wool exports were approximately $830 million and red meat production was $1.7 million. The saleyard sector is an important contributor to the effective functioning of Victoria's livestock industries, handling over 1.2 million cattle and 5.2 million sheep.

The National Party does not oppose this bill, and it is pleased that some of the regulations that it asked for have been included.

Hon. R. F. SMITH (Chelsea) — It is with pleasure that I rise to speak on the Auction Sales (Repeal) Bill. I do not know whether to start with a moo or what, but I do say that this bill responds to representations made by the national competition policy review of the Auction Sales Act 1958. It repeals the act, and as a consequence makes amendments to a number of other acts. Given the time unfortunately I will not be able to go into detail of what those acts are.

This bill includes a savings provision, which requires records of livestock that are currently kept under this act to be preserved. The bill seeks to maintain the status quo of the Second-Hand Dealers and Pawnbrokers Act 1989, the Motor Car Traders Act 1986 and the Real Estate Traders Act 1980; they will remain unchanged. It is typical that this government has had significant consultation on this bill. The following government departments have all been consulted and support the bill unamended: Premier and Cabinet, Treasury and Finance, Natural Resources and Environment, Infrastructure and Justice. Those departments, as well as the Magistrates Court, Victoria Police and business leasing authorities, all support the bill.

It needs to be said that Victoria Police raised some concerns about the bill, particularly with regard to stolen property and how it may be fenced through auctions. However, it did not provide any evidence in support of its concerns.

The repeal of the bill will take effect on 1 January 2002. That will enable current licence-holders and intending applicants to be advised well in advance of the date of the new licences.

Although small in volume, the bill is important. I would like to finish with a story about the old bull and the young bull overseeing the paddock, but given that it is Christmas and time is running out, I will not. I commend the bill to the house.

Motion agreed to.

Read second time.

Third reading

Hon. M. R. THOMSON (Minister for Small Business) — By leave, I move:

That this bill be now read a third time.

In doing so I thank honourable members for their contributions to the debate, and I thank them for the timeliness and succinctness of their contributions.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

Sitting suspended 6.29 p.m. until 8.02 p.m.

COUNTRY FIRE AUTHORITY (MISCELLANEOUS AMENDMENTS) BILL

Second reading

Debate resumed from 4 December; motion of Hon. J. M. MADDEN (Minister for Sport and Recreation).

Hon. B. C. BOARDMAN (Chelsea) — When I adjourned the second-reading debate on the bill yesterday I said that the amended second-reading speech was a disgrace. I not only stand by that comment — in the circumstances I think it was a little too kind.

The second-reading speech that the minister read to the house yesterday is embarrassing. Based on the negotiations that have taken place between the government and the opposition regarding the legislation, I do not believe it represents what I consider the real situation to be, and I will comment extensively on that point. However, I place on the record that the second-reading speech does not reflect what has occurred since this bill was introduced and subsequently debated in the lower house, and for that reason the opposition registers its disappointment that the government has taken this action.

It is an important piece of legislation which comes at quite an opportune time. This house over the past couple of days has been debating issues and raising questions about various appointments this government has made to a number of boards and executive positions, creating an environment where government members represent themselves as almost untrustworthy in situations. We have seen the Premier's friend — past friend, old friend, whatever the definition was — Jim Reeves initially being placed on a fairly lucrative government contract and then subsequently resigning under dubious circumstances. A question was raised yesterday about the secretary of the Australian Workers Union, Bill Shorten.

Hon. M. M. Gould — Get on to the bill!

Hon. B. C. BOARDMAN — This has everything to do with the bill. It is another example of what the government is trying to do — that is, to create a legislative process where it has complete autonomy over choosing its own people to represent it rather than people representing the interests of the authority or body governing the organisation; it simply wants Labor Party representation in those positions. That is what this bill is trying to do.

I raised the issue of Jim Reeves and Bill Shorten as examples of a government that clearly cannot be trusted. We have a situation where the government has purely made quite political and unjustified appointments. But in relation to the second-reading speech — —

Hon. M. M. Gould interjected.

The PRESIDENT — Order! Minister, he has been going for less than 5 minutes and you are at him. Let him develop his case and someone else can respond to it.

Hon. B. C. BOARDMAN — I find the interjections equally as confusing as you would, Mr President, because, as I have simply stated, this bill is about

enabling the Labor minority government to place its own people in positions where there should be more qualified and more appropriately represented people to do the jobs. The Minister for Police and Emergency Services has attempted to rush this bill through the lower house and then drop the amendments because there was a degree of confusion over what was going to happen here tonight. The second-reading speech makes it quite clear that this is simply an opportunity for the minister to have more authority to promote to positions on the Country Fire Authority board people who may or may not be the most suitable. Page 2 of the minister's circulated second-reading speech states:

> Unfortunately, the opposition has determined it will play politics with these proposed changes. It indicated it would block the proposed changes, publicly characterising them as an attempt by the Victorian government to 'stack' the CFA board.
>
> This is clearly incorrect. The proposed changes were focused only on making commonsense improvements to current nomination processes. No substantive changes to the current structure of the board were proposed.

The second paragraph I have quoted is correct. No substantive changes were proposed. This goes to the question of trustworthiness and ethics. Section 7 of the Country Fire Authority Act provides for those who are eligible to sit as members of the CFA board. I will read each category because it is important that honourable members are aware of those categories. The first category is that one person will be the chairman and will be appointed by the Governor in Council — obviously a ministerial appointment. The second category is the deputy chairman who will also be appointed by the minister. Then there will be two ministerial appointments, but they will be names submitted by the minister who administers the Environment Protection Act; they will be from the Minister for Environment and Conservation — usually bureaucrats within that department — so quite clearly you can construe that they are once again ministerial appointments. Then there will be two members submitted by the Victorian Rural Fire Brigades Association, two members submitted by the Victorian Urban Fire Brigades Association, two members submitted by the Insurance Council of Australia, and two members from the Municipal Association of Victoria, one of whom is supposed to represent an urban area and one a rural area, giving a total of 12 members. Under the current provisions of the act the minister only has the option of directly appointing four specific people to serve on the Country Fire Authority board.

Section 7(2) provides that if any of the bodies fail to submit a panel of names within the prescribed time, the minister may recommend names from any organisation with no personal or professional qualifications to serve on the CFA board. That clearly allows the minister to have direct control of and interference in those appointments. The opposition acknowledges that that has been the case for some time, particularly with the Insurance Council of Australia. For some years the ICA has made it quite clear and stated publicly, and backed it up through its policy announcements, that it perceives a conflict of interest when it comes to serving on the Country Fire Authority board and as such it does not participate in nominating two members to serve. While that has been a practice in the past, past governments have used the opportunity that is afforded to them in this legislation to appoint people who have the qualifications, professional standing and reputation and who also have, most importantly, the ability to do the job as intended under the act.

The Labor Party could not be trusted in that situation. Its track record and history is appalling. In the last couple of days we have had questions raised over people who have been appointed to boards under dubious or political circumstances. The opposition will not allow that to happen to the Country Fire Authority board. This is an exceptionally good organisation. It is world class. Its standards are undoubtedly among the best of emergency services standards anywhere in the world. Direct interference by the government with the people who are the executive managers of the organisation will not be tolerated, not only by the opposition but also by the Victorian public at large.

This is why the opposition will move some amendments tonight that will clearly stipulate and tighten the rules that will prevent the government, and particularly the minister, from using their authority under the act to make appointments that could be considered dubious. Realising that the Insurance Council of Australia has a perceived conflict of interest and that it has made its public policy clear in this regard, the opposition will move an amendment to remove section 7(1)(d) and replace it with a new paragraph (d) that will allow the employer to appoint a representative from the Victorian Farmers Federation and a representative from the Victorian Employers Chamber of Commerce and Industry.

They are two key stakeholders when it comes to fire service management and are very appropriate appointments in the circumstances. When the time is appropriate I will move such amendments and give my justification for them.

It is equally important to remind the house of just how committed the opposition is, as I suspect the National

Party is, to the Country Fire Authority as a whole. It goes without saying that it is a tremendous organisation, one which is the envy of national emergency services organisations and one which certainly is highly regarded and has a well-valued reputation internationally. The volunteers and professional firefighters who make up the core staff of the Country Fire Authority have been involved for many years not only in assisting their interstate colleagues but recently we have seen some of our members travel internationally, particularly to California, to assist with emergency services management issues that unfortunately have been endemic in that part of the world.

There are currently 1228 CFA brigades around the state. Servicing those brigades, which are managed by 11 areas under 20 regions, are 357 career firefighters, 698 management support and administrative staff and approximately 61 657 volunteers. By anyone's interpretation that is quite an extraordinarily large organisation. The CFA's expenditure is about $142.5 million. It is interesting to note that only 22.5 per cent of its gross income comes from government contributions, which equates to about $35 million. The remaining 77.5 per cent comes from 114 insurance companies, owners or brokers who contribute the funds through the fire services levy, which is a compulsory tax for property holders in Victoria.

The opposition supports the tax in its current format but places on the record its curiosity as to whether the government will be amending the provisions of the fire services levy at any stage to take into account what has occurred in other states, such as where the fire services levy is determined on a rateable property basis. For the time being the system works reasonably well, although the Insurance Council of Australia acknowledges the conflict of interest. The funding criteria is adequate and serves the authority exceptionally well in the circumstances.

The CFA is a big organisation which has for some time quite tragically been subject to ongoing industrial bans and disputes, primarily and unjustifiably initiated by the Victorian division of the United Firefighters Union of Australia. With only 357 career staff the union does not have a whole lot of say in what happens in the management of the CFA. Unlike the Metropolitan Fire and Emergency Services Board the union is not represented in the CFA. If the opposition were to let the government get away with this bill potentially it may use the clauses of the bill, or worse still use the proposed amendments that it wished to initiate when the bill was first introduced in the other place, to appoint union members to an organisation where the union influence is quite limited.

The ongoing industrial dispute and bans which have been in place over successive periods have not only had a direct impact on the operational efficiency of the CFA and its members, but for some time it has put public safety at risk because of the undue influence of the union and the disruption it has caused to volunteer firefighters. I stress that although the volunteers are a very important core component of the CFA, they are admirably serviced and backed up by most of the career firefighters, who are an equally important component of the organisation.

The time has come for the union to understand that the situation is not going to change. Volunteers are as valuable an asset as career or paid staff and it must be acknowledged that to ensure that the most effective operational and performance standards are met in the community's best interests, the union — that is, the career firefighters — and the volunteers must work cooperatively to get the best possible result for Victoria.

Recently the Victorian Urban Fire Brigades Association, and I suspect the Victorian Rural Fire Brigades Association, initiated a process to incorporate a draft volunteer charter. They wanted to ensure that all the players in the CFA — the authority itself, the state government and the union — were aware of the volunteers roles and responsibilities and that the volunteers themselves had an awareness that their individual responsibilities both to the authority and for their performance were documented, acknowledged and signed by all.

This volunteer charter was released on about 20 June. It was to be signed by Tom Brodie, the president of the Victorian Rural Fire Brigades Association; Rob Waterson, the president of the Victorian Urban Fire Brigades Association; Len Foster, the chairman of the Country Fire Authority; and the Honourable André Haermeyer, the Minister for Police and Emergency Services on behalf of the state of Victoria. The volunteers decided that because of the significant role they play in emergency management and emergency provision in the state the Premier, Steve Bracks, should sign the charter as well.

I received a letter from Peter Davis, the secretary of the Victorian Urban Fire Brigades Association, on 2 November. I know Peter; he is a member of the Carrum brigade, which is one of the local brigades in my area. He is an exceptional individual and a person who over many years has performed with an enviable degree of dedication to the community. Quite rightly he

was writing on behalf of his members expressing some concern as to why the Premier initially was reluctant to sign the charter. Thankfully, and because of a degree of pressure placed on the government by the opposition, the Premier did sign the charter acknowledging just how vital the role of volunteers is in the state. But for the Premier initially to have some concern or even, dare I say it, confusion over whether he was going to sign the charter was quite reprehensible.

The Premier of the state has an obligation to all members of the Victorian community, and you would expect that the Premier would have no hesitation in supporting this organisation and its staff, because people are giving up their own time to make our community safer.

It is important that I read the first paragraph, which is the preamble, of the volunteer charter because it sums up what the volunteers believe their roles and responsibilities are and it gives an indication of just how important those roles are. It states:

> Volunteers of the CFA are fundamental to emergency management in Victoria, and their value and importance is recognised. Volunteers and the commitment they bring to the protection of the Victorian community remain the core strength of CFA. The individual and collective interests and needs of volunteers must be protected if they are to deliver their services safely and effectively. They must always be consulted about issues that affect them as volunteers.

I find it difficult to believe any member in this house would not agree in totality with the sentiments set out not only in the preamble but in the whole volunteer charter.

It is also important to note the corporate plan of the CFA for 2001–02. On page 10 under the heading ‘Our commitment — what we value most’ and the subheading ‘People’ it states:

> Our most valuable resource is our people, volunteers and staff, and we will strive to treat them with dignity, respect and fairness, because we value their contribution to the community.

It is an exceptional sentiment; it indicates that there is corporate value in the relationship the management has with the staff and acknowledges the vital contribution the staff makes. It is not before time that the management of the CFA and all the members have been made aware of what that commitment is and how valued the members are, because it was not that long ago when industrial bans were imposed by the United Firefighters Union, which I alluded to earlier, which quite clearly did not encourage a sense of equality within the organisation — it had a dreadful impact on morale and placed emergency management in the state at risk. If the union reads that, and I hope it does — I trust it already has — it will understand that its members are as valued as the volunteers and that they should be working together. A more coordinated approach to emergency management and firefighting will undoubtedly be in the best interests of the organisation and the community.

The corporate plan acknowledges that a number of challenges are presented in the environment in which the authority operates. It states that the world is changing and because of those changes it faces certain challenges. One of the changes mentioned is the growth in metropolitan provincial centres. The unique situation in my area is that the Metropolitan Fire and Emergency Services Board administers the metropolitan area, which stops at the Mordialloc Creek in the northern part of the electorate. Many years ago that may have been considered to be the true end of the metropolitan area, but now the area all the way down almost to Mornington is a very built-up residential and urban environment, but it is still serviced by the CFA. It is a growing area with strong residential construction taking place, which poses significant challenges.

Some of the other challenges the CFA acknowledges are the decrease in the numbers of volunteers due to an ageing population, dormitory communities, changing rural communities, economic restructuring and globalisation and a declining youth base. They are critical factors, particularly in my area, as it is growing in residential terms and people are becoming more time poor because of professional and other community commitments, but the CFA is still the authority that services the area. If the CFA is finding it difficult to obtain members because of some of the demographic and other challenges it outlined in the corporate plan, those challenges will undoubtedly have to be recognised and this government will need to be committed to ensuring that it provides the CFA with valuable resources to ensure it can function correctly.

Some of the other challenges it identifies include the increase in volume and diversity of services required due to changes in populations — that is, the population shift. As more people move to the city the population base increases, and there will be some dispersion. The CFA has to be conscious of that and needs to apply the appropriate resources to service the needs of the community.

Additional changes also need to be made, such as supporting the needs of the CFA’s people based on a climate of increased and competing work, family and lifestyle pressures. There are community expectations for the CFA to provide high-quality, accountable and

sustainable services while giving value for money. That is a very important point. Volunteers have service obligations to their community, and they need to ensure that they are trained appropriately. To be trained appropriately they have to dedicate their time and, importantly, their efforts and commitment, so we need to ensure that they have the available resources and training qualifications to fulfil their needs. That exceptionally important challenge needs to be addressed by providing the resources and a policy and strategy.

The corporate plan also refers to the impact of technology and the outcomes of the Linton coronial inquiry, which resulted in a number of recommendations on operational issues that concern the CFA. The CFA also mentions the events following the 11 September attacks in the United States. One other challenge that has been identified, which I mentioned earlier in my contribution, is the new industrial relations framework. Although the enterprise bargaining agreement has been completed there are still issues that affect the contingencies of volunteers and career firefighters that need to be worked out to ensure that no members are jeopardised in any of their positions.

Before I conclude my remarks so that other honourable members are able to make contributions and debate the amendments during the committee stage of the bill, I wish to pay tribute to all the authority members who have provided a dedicated and diligent service for the board and the management, which has been responsible and has acted appropriately in the circumstances. It must be acknowledged that it is a difficult job but one which these people perform quite admirably.

Equally it is important to place on the record my personal thanks and strong support for all the Country Fire Authority brigades and their members: the volunteers, the career firefighters, and the support and administrative staff. They have a busy fire season ahead of them. Although it does not feel like summer, we are into the fifth day of summer and no doubt it will start warming up soon. I offer the CFA brigades my full support. I know that they are an extraordinarily committed group of people who service their local communities with great diligence and dedication. These people deserve the respect they have and I pass on my thanks and offer them my continued strong and emphatic support. I wish them well and although it is unlikely that they will have a quiet summer I hope that that will be the case.

This bill needs to be amended in the interests of Victoria generally and the Country Fire Authority and its members in particular. We do not want the government to deliberately, maliciously or even inadvertently appoint someone to the board when that is not in the best interests of the organisation. We must ensure that the mechanics of the Country Fire Authority Act 1958 service the community's needs and expectations. The opposition will unreservedly move its amendment with a great deal of pride and distinction.

I will comment only very briefly on the other parts of the bill which need to be commented on. One is the use of prescribed devices during a fire danger period. I am not a person with a rural background and I am sure that when Mr Hall speaks on behalf of the National Party he will go into further detail about that provision and the implications of gas-fired scatter guns. I do not have the expertise to comment on that clause. However, I will make a brief comment on the municipal fire prevention plans. I indicate that the opposition does not oppose the intentions of those important plans. The bill clarifies the existing responsibilities of councils in the preparation of the plans. It also gives the power to audit the plans to ensure that they meet their intended purposes and their obligations to the community. The opposition supports that part of the bill.

It is unfortunate that we have had to come to this debate this way and that the opposition could not reach consensus with the government on its amendments. Maybe if the government's track record and level of trustworthiness were higher that might not have been the case but there is no evidence to suggest that that can be counteracted and therefore we have to go down this path.

It has been put to me that if the bill is not passed and does not receive assent in a reasonably short time municipal fire prevention plans may be in jeopardy. I refute that assertion and simply suggest that the Country Fire Authority and its brigades have operated very successfully in past years and, although the municipalities have a responsibility to coordinate their emergency services resources as best they can, the world will not crumble if this bill is not passed. The volunteers and the career staff will go about their tasks as best they possibly can and with a great degree of distinction.

The bill contains a number of other minor amendments of a technical nature — which will assist the bill both as it stands and with the opposition's amendments — and as they are minor they do not need to be discussed. At the appropriate time in the committee stage the opposition will move its amendments and discuss them further. Until then I offer the opposition's full support to the Country Fire Authority and confirm that the

Liberal Party holds it in an extraordinarily high degree of esteem and always will.

Hon. E. C. CARBINES (Geelong) — I am pleased to speak tonight on the Country Fire Authority (Miscellaneous Amendments) Bill. The bill seeks to assist the Country Fire Authority (CFA) in its vital role of protecting the Victorian community from the danger of fire.

As a member of this place representing a regional electorate I can attest to the enormous contribution the CFA and its volunteer members make in rural and regional Victoria. It is appropriate to acknowledge, especially in this the International Year of Volunteers, the tireless dedication of members of the Country Fire Authority and the commitment they make to protecting the members of their communities from the risk of fire. It is also important to recognise that in carrying out their volunteer duties members of the CFA place themselves at considerable personal risk — fighting fires to protect you and me and the other members of our communities.

Members of this house will have heard me speak last week about the terrible tragedy involving the Geelong West CFA brigade. Three years ago five young men from the Geelong West brigade were tragically killed while fighting bushfires at Linton. I know that the Geelong community will never forget those five young men. Their memory serves to remind us all of the dangers faced by each and every member of the CFA.

In every way the volunteers who make up the Country Fire Authority epitomise the true spirit of volunteers. That spirit strongly resounds in regional and rural Victoria. As a member for Geelong Province I was honoured to present certificates to members of several of the CFA brigades in my electorate earlier this year, including the Portarlington, Barwon Heads, Mannerim, Wallington and Ocean Grove brigades. Those certificates acknowledged the contribution of the CFA volunteers. They were a small token of the government's appreciation on behalf of all Victorians of the vital role the CFA and its members play in our state.

The Bracks government has introduced several initiatives to support the CFA and its members. Not only does the government acknowledge its appreciation of all they do for each and every one of us but it backs up its appreciation with solid funding commitments to make a real difference to the CFA and its volunteers in their duties.

One of the very strong initiatives that have been introduced by the Bracks government which has huge support among Country Fire Authority members is the Community Safety Emergency Support Fund program, which involves funding for the upgrade of emergency vehicles and the equipment used by CFA members. I have been pleased to announce over the course of this year that several of the brigades in my electorate have received such funding. Earlier this year I attended a function at the Mannerim rural fire brigade to launch its new Quick Attack vehicle, towards which the government had contributed $20 000. The members of that CFA brigade said to me that without the funding the government provided they would not have been able to purchase that vehicle for many years, and they were very appreciative of it. Similarly, in August I went to the Wallington Country Fire Authority brigade on a Sunday morning to hand over the keys to its new four-wheel-drive vehicle which was also purchased with a $20 000 grant from the Bracks government and which complemented the fundraising efforts of the volunteer members to raise a similar amount.

Recently I was very pleased to advise another rural fire brigade in my electorate — the Gnarwarre Country Fire Authority brigade — that it was also to receive funding under this program which would allow it to buy a new 1500-litre tanker. I was also very pleased to receive a letter from the brigade thanking me and the government for the funding commitment and acknowledging that without that funding it would not have been able to purchase the tanker.

On top of that funding, the Minister for Police and Emergency Services has recently announced another funding grant to another brigade in my electorate, the Torquay Country Fire Authority brigade. The minister has announced a $650 000 funding grant for the building of a much-needed new fire station in a great location at Torquay, in Grossmans Road. I was very pleased to meet one of the CFA members out there who impressed upon me that this new location and the new station would serve the Surf Coast very well and would be in a great position to be able to gain access very quickly to fires that may break out along the Surf Coast. It is good that the government is not only talking about its appreciation of the CFA and its volunteers but is also putting that talk into practice by providing significant funding.

Honourable members will have heard me speak recently about the Geelong West fire station, which was partially destroyed by fire a couple of weeks ago. I expressed my concern about the Geelong West fire station in the adjournment debate and asked the minister to intervene to make sure that adequate

funding was supplied as soon as possible to rebuild it. At that time I raised with members of this house the poignant memory of the tragic deaths three years ago of five young men from that brigade. The destruction of that fire station a couple of weeks ago reopened some of the wounds that had started to heal following the bushfire in which those young men died. I am pleased to acknowledge that the minister very promptly announced that whatever funding it would take would be supplied to the Geelong West urban fire brigade to restore its station appropriately.

Another funding program the Bracks government has initiated has been very warmly received by all CFA volunteers — that is, the boot program, whereby for the first time CFA volunteers will be provided with new boots. This funding program is very popular among CFA members, and earlier this year when I was at the Mannerim rural fire brigade to launch its new Quick Attack vehicle the members were excited about not only their new vehicle but also their new boots. Some of them had been out that morning to have their new boots fitted and were very proudly displaying them to the members who had not yet bothered to go for their fittings. I was encouraging one of them to be a model in front of the crowd to show off his new boots, but he was rather a reluctant starter. However, we all enjoyed their excitement at getting the new boots, and they thought it was a very practical way for the government to support their volunteerism.

The Bracks government is very proud to support the Victorian CFA in such practical ways, and the bill before us also seeks to further assist that organisation. The purpose of the Country Fire Authority (Miscellaneous Amendments) Bill is to implement a number of minor and machinery changes to simplify and facilitate the manner in which the Country Fire Authority operates. Consequently the bill before us amends the Metropolitan Fire Brigades Act 1958 in relation to the use of prescribed devices on fire danger days. The bill will allow for the safe use of gas-fired scatter guns on days of high fire danger. These devices are used by farmers, vignerons and orchardists to deter birds, and the Victorian Farmers Federation supports the imposition of such restrictions on the usage of these guns during times of high fire risk.

The bill also amends the principal act so that the municipal fire prevention plans which councils are required to prepare will comply with the new guidelines which the CFA has drawn up. The second-reading speech states:

> It will be the responsibility of each municipal council to maintain and formally approve its plan and to act upon it. This will emphasise the importance of proper planning for the purpose of increasing fire safety for the community.

The bill also repeals redundant provisions relating to long service leave. It further amends the principal act in relation to evidence of a declaration of a day of total fire ban. Currently it is a requirement that the original certificate signed by the chief executive officer is produced in court for prosecutions to proceed. This bill will amend the principal act to allow for a certificate signed by the chief executive officer declaring a day of total fire ban to be sufficient for prosecutions to proceed. That is a useful and practical amendment to the principal act. In this way the government seeks to assist rather than hinder the CFA when it is necessary to prosecute offenders.

The bill contains other minor amendments, which are also designed to assist the CFA in the conduct of its duties. The Bracks government is very pleased to assist the CFA in such practical ways to recognise, in the International Year of Volunteers, the contribution that the CFA makes to each and every one of us in this state. I commend the bill to the house.

Hon. P. R. HALL (Gippsland) — This bill had its second reading in the Legislative Assembly on 19 September and was not debated until 27 November. It is quite unusual for there to be a two-month gap between the time a bill is introduced and when it is debated. It sat around for two months with seemingly little effort being made by the government to resolve the issues that surfaced when the bill was first made available.

Some significant issues surfaced about the composition of the Country Fire Authority (CFA) board. Some of those have been outlined by the Honourable Cameron Boardman in his contribution; I will also talk about some of them.

It is pretty disappointing that the bill sat there for two months without any constructive effort being made by the government to resolve those differences between the government, the opposition and the National Party. As to the minister's claim in the second-reading speech that the opposition has determined that it will play politics with these proposed changes, I say that it is the government that is playing politics and that it is its fault that this bill will be amended tonight by the opposition and by the National Party and will therefore not proceed because the Assembly has already risen. The government is the one that is playing politics with this bill, because it had more than two months to try to resolve those differences.

On other bills that have passed through this Parliament there has been a time delay, but through good time management the differences have been able to be resolved between houses. But the fact that the government decided it would not bring on this bill for debate until late last week, the last week of the Assembly sitting, means that when the amendments are passed by this chamber tonight with the support of the opposition and the National Party, this bill will not proceed further.

So I say the politics has been played by the government — not by the opposition and not by the National Party. It is the government that has delayed the passage of this bill by its refusal to come to the table and negotiate on some concerns that were expressed when the bill was initiated.

The second-reading speech states that the purpose of the bill is to implement a limited range of amendments to the Country Fire Authority Act 1958. It does that, and the National Party accepts that that is the purpose of the bill and that the amendments will improve the effectiveness of the CFA.

But there was one aspect of the original bill which we were not happy about and which I have to say the majority of people in the CFA organisations were not happy about either, and that revolved around the composition of the CFA board. Let me go to what was proposed in the original legislation. Section 7(1)(d) of the Country Fire Authority Act provides for two positions on the board to be filled by people appointed from a list of names supplied by the Insurance Council of Australia. We understand that for some time the Insurance Council of Australia has not wished — and certainly does not wish in future — to have a representative on the Country Fire Authority board. We accept its reasons; it believes it may have a conflict of interest, and that is an acceptable reason for it not to be on the board.

The amendment the government had previously proposed was that those two positions simply be filled by people appointed by the minister; it was a completely open-ended process of appointment and the minister could put in whomever he wanted to fill those two positions on the board. That was the original proposal when the bill was introduced in the other place.

It was also proposed that the act provide for the Municipal Association of Victoria to nominate two representatives — one from an urban ward and one from a rural ward. The amendment proposed by the government was that the two representatives be councillors representing a municipal council under the control of the Country Fire Authority.

The National Party had concerns with both those aspects of the amendments to the composition of the CFA board. Firstly, we believed that if the insurance industry council did not wish to continue being represented on the board, other organisations should be represented on it, and it has been proposed by way of amendment that those two positions be filled by a nominee of the Victorian Chamber of Commerce and Industry and a nominee of the Victorian Farmers Federation. We believe it is an opportunity for other organisations to put up nominees to take the place of those two positions previously filled by nominees of the insurance industry council.

These proposals the government put forward were objectionable to many of the volunteers in the Country Fire Authority. The National Party believes the interests of the volunteers should be paramount, because the CFA, great organisation that it is, is largely composed of volunteers, and surely if we are considering changes we should take their views into account.

As has already been said in this debate, the Country Fire Authority has something like 1228 active brigades in Victoria, with a total support staff of 62 712. The vast majority of those 62 712 — 61 657 of them — are volunteers. So we in the National Party say that the views of the volunteers should be paramount when considering changes to the Country Fire Authority Act. They are the people who selflessly make a commitment and give of their time, and sadly on some occasions their lives, to protect community assets by their willingness to volunteer in that great organisation — the Country Fire Authority.

The Honourable Cameron Boardman outlined challenges ahead for the authority and made mention of the forthcoming summer season. Despite the benign temperatures we have experienced so far, this season will pose some real challenges and threats to fire safety in Victoria. As a result of the good rains we have had during the spring period the growth in vegetation has been prolific in many areas of country Victoria. In parts of my electorate in Gippsland I have never seen the grass so good. Although that benefits our primary producers to a great extent, it also poses some significant fire risk. The prolific growth and the build-up of grass and flammable materials in some of our forests and grasslands means that invariably there will be some serious fires. In addition, the lack of adequate fuel reduction burning in some of our parks and forests under the control of the Department of

Natural Resources and Environment also increases the fire danger.

Constituents such as Mr Ralph Barraclough based at Licola, who is the captain of the Licola fire brigade, are extremely concerned about the possibility of a serious fire in the Alpine National Park this year.

Hon. B. W. Bishop interjected.

Hon. P. R. HALL — We saw what devastation fires in that area caused in the summer of 1998 when fires devastated the Caledonian Valley area. The local residents are fearful that that situation will occur again because of the build-up of fuel on the forest floor, which poses a serious fire risk. This summer we all hope and pray that that will not eventuate, but the possibility is there. As the Honourable Barry Bishop interjected, we have to take account of the local views on the situation, and Captain Barraclough of the Licola fire brigade will tell you that more should be done to reduce the build-up of fuel on the forest floor in the Alpine National Park.

I wish to put on the record what the volunteers are saying. One of my keenest constituents in matters concerning the Country Fire Authority is Mr Alex Hooper of Winnindoo via Heyfield. I am sure many honourable members have received correspondence from him over the years. He is a great stalwart of the CFA. He wrote to me making some comments about the composition of the CFA board proposed in the original bill.

He referred to clause 3 in the original bill, which provided for two members to be appointed by the Governor in Council on the nomination of the minister. His comment was:

> This proposal is not acceptable and I would suggest two alternatives.
>
> Option (1)
> The positions be abolished leaving only 10 CFA board members.
>
> Option (2)
> The Victorian Farmers Federation be requested to submit a panel of two names, one to be appointed.
> The Victorian Employers Chamber of Commerce and Industry be requested to submit a panel of two names, one to be appointed.

His conclusion was that:

> Option (2) is the preferred solution as it will give the major stakeholders and financial providers input to the authority at the highest level. Members of these organisations are responsible for major assets including industry, both primary and secondary, as well as domestic, investment and commercial dwellings, located within the country area of Victoria, and protected by CFA brigades …

He goes on to outline the contribution insurance levies make to the funding of the CFA and uses that to substantiate his argument that a member of the Victorian Employers Chamber of Commerce and Industry (VECCI) and a representative of the Victorian Farmers Federation (VFF) should be members of the board. He concludes on the following point:

> It is imperative that industry, both commercial and primary, have a voice and representation on the CFA board that was previously exercised through the insurance industry.

I agree wholeheartedly with those sentiments. The amendments which the National Party will put forward are very much the same as those to be put forward by the Liberal Party and will give effect to the view being expressed by this volunteer on behalf, I would say, of the majority of volunteers in the CFA, in that they want those two positions that were previously occupied by the insurance industry council to be occupied by a nominee of the VFF and a nominee of VECCI.

The other point that has been changed by the withdrawal by the minister of the original clause 3 when the bill was amended in the other house relates to the two nominees from the Municipal Association of Victoria. It was proposed that the two nominees from the MAV be a councillor of a municipal council with a municipal district wholly or partly within a country area of Victoria. What is a country area of Victoria? We are not sure of those boundaries, — they get blurred. We know the CFA comes in and helps suppress fires in Springvale.

Hon. N. B. Lucas — Yes.

Hon. P. R. HALL — Springvale is certainly not country Victoria. So under the wording proposed by the minister it is possible that two councillors from the City of Kingston — —

Hon. B. C. Boardman interjected.

Hon. P. R. HALL — Frankston or Greater Dandenong — that two councillors from those councils could be members of the CFA board. The National Party says there is nothing wrong with one of them having membership of the board, but we at least want some country representation.

The second set of amendments the National Party will move will ensure that one of the two nominees from the MAV comes from a council within an 80-kilometre radius of Melbourne and another beyond an 80-kilometre radius of Melbourne to ensure there is

truly country representation on the CFA board. They are two sensible proposals put forward by my constituent Mr Alex Hooper, and his views represent those of the vast majority of CFA volunteers in country Victoria.

What do other organisations say about these amendments? I have to go back because as I say the bill was first introduced two months ago and we had not had any changes until last week, when the government rammed this bill through the Assembly. What does the Victorian Rural Fire Brigades Association say about the amendments proposed by the government? On 1 October the National Party spokesman, the honourable member for Shepparton in another place, Don Kilgour, received correspondence from Mr Bob MacDonald, the executive officer of the Victorian Rural Fire Brigades Association, which states:

> Our preference would be that membership of the authority remain the same. However, if this is not possible we would still like one of the representatives of the MAV to be from a rural area.

As I said, the amendments that will be moved by the opposition parties will ensure that occurs. The letter further states:

> Further should the Insurance Council of Australia not wish to have representation on the board then the board should be reduced in number by two. Again we would prefer the representation to come from the insurance council as they are a key stakeholder and for them not to be on the board would strengthen their argument not to collect fire levies.

That leads me into a different subject, but I will not take that lead because it is not directly part of the bill before the house. The Victorian Rural Fire Brigades Association is saying clearly that it does not want the additional two representatives to be appointed simply at the whim of the minister. The Victorian Urban Fire Brigades Association shares a similar view. In a letter dated 28 September to Mr Kilgour, Peter Davis, the secretary of the association, expressed the same sentiment. They want the insurance industry to continue as a Country Fire Authority board member, but if that does not happen they do not want two extra people appointed purely at the whim of the minister. They are the views of some of the stakeholders on the proposals originally put forward by the government, and they are all valid arguments.

What happened when this bill was finally debated last week after two months of complete inactivity? The response from the minister was to drop all the proposed amendments to the composition of the board, to take his bat and ball and to go home and say, 'Because I cannot have my way we will not do anything'. That is purely a petulant act from the minister on this issue. What about the other provisions that are deemed to be necessary — that is, changing the definition of where the representatives from the Municipal Association of Victoria come from? There was no mention of those; the minister dropped those. He said they needed to be changed, but because he was not going to get his way he spat the dummy, took his bat and ball and went home.

As I said, the National Party felt strongly about this issue from day one when the bill was first introduced in another place. We have been staunch in our view that the representation on the CFA should include people such as a nominee of the Victorian Farmers Federation and a nominee of the Victorian Employers Chamber of Commerce and Industry — entirely appropriate appointments. Appointments should not be subject purely to the whim of the minister. Indeed, one of the two MAV appointments should come from rural Victoria, and we have put that into effect in our amendments by defining rural Victoria as any place which is more than 80 kilometres from the central business district.

Those are the amendments that will be moved by the National Party, and as I said, after listening to the Honourable Cameron Boardman I suggest they will be almost identical amendments to those which are to be moved by the Liberal Party. If that is the case I will be pleased to stand up and second the Liberal amendments on behalf of the National Party.

In conclusion, there are a few other aspects of the bill on which I will not go into detail tonight given the time and the program for getting legislation through the Parliament tonight. Other aspects of the bill include the use of prescribed devices during a fire danger period, municipal fire prevention plans and several other technical amendments. The National Party has listened to the comments of organisations such as the MAV on those matters, and it is our understanding that organisations representing Victorian municipal councils are happy with those changes. They appear to be reasonable, and as I said at the outset, they appear to improve the effectiveness of the operations of the CFA.

We look forward to the committee stage. We are strong in our view that the membership of the Country Fire Authority board needs to be addressed to appropriately replace the two representatives from the insurance industry council. We are also strident in our view that country Victoria needs appropriate representation on the CFA board. The amendments will achieve that outcome, and we look forward to moving those amendments during the committee stage of the bill.

Hon. K. M. SMITH (South Eastern) — This bill had to come forward. It will change the make-up of the Country Fire Authority board. Over time and in conjunction with the United Firefighters Union (UFU), the minister has been attacking the CFA and the way it works. There is not a better volunteer organisation anywhere in the world than the CFA in Victoria. It should not be under attack from this government. It should not be under attack from Peter Marshall and his union mates from the UFU, who have taken this opportunity to try to stack the board with union mates who will try to ruin the authority so they can take control of it and force its 60 000 members to be members of the UFU. That is what this is all about.

Hon. J. M. Madden interjected.

Hon. K. M. SMITH — The minister should be ashamed of himself for allowing his union mates to do it — and we will not let you do it!

Hon. J. M. Madden — You are deluded, absolutely deluded!

The PRESIDENT — Order! In this house an honourable member has never been allowed to drown out another honourable member with a constant barrage of nothing in particular. I ask the minister to desist and allow the honourable member to advance his case.

Hon. K. M. SMITH — Mr President, thank you for the protection from the minister you have offered me.

Hon. C. A. Furletti — Which you need.

Hon. K. M. SMITH — I do not really need the protection because I can shout louder than he can. If he wants to shout people out I am more than happy to shout at him.

Hon. B. C. Boardman — The difference is that you are articulate.

Hon. K. M. SMITH — I am articulate, and I appreciate that comment from you, Mr Boardman.

I have concerns about what the minister is doing here. The opposition will move a number of amendments in the committee stage. We believe we have answered what the minister is trying to put forward in a fair and reasonable way by having people appointed to the board who will have some expertise to offer, people from the urban area and from the rural area who will have an understanding of the difficulties faced by the fire services, particularly in country areas.

We know that the CFA is a fantastic organisation that works in urban areas, in particular around Dandenong and Frankston as well as Werribee and Whittlesea. The United Firefighters Union would like to claim those areas as being their own for no other reason than to swell membership.

The Liberal Party has a number of amendments that it proposes to move. During this summer period Victoria will face one of its worst fire danger periods on record. Yesterday it was raining in Melbourne and country Victoria, which is nice for the farmers because it is good for the grass and the crops, but the difficulty is that because of the changing climatic conditions Victoria may have a hot summer and those green pastures will turn brown and become a threat to the farming, rural and some urban communities.

Some three years ago Mount Martha, where I live, was threatened by fire. It was disturbing to see the black clouds coming over the hill not far from my place but it was a great feeling to know that the CFA was around the corner and that we had one of the best rural fire brigades to fight the fires. Brigades from the peninsula and other regions came to the area to assist the Mount Martha brigade when the township and housing around Mount Martha was under threat. It gives one a good feeling to know such a brigade is available.

The Mornington Peninsula has the best-trained fire brigades, although I am sure Mr Baxter and other honourable members in rural areas will say that they have the best brigades. Volunteers train for many hours a week to the highest standards. We know that the UFU has stuck its nose in and want to organise the training because it feels it knows it better than anybody else. The truth is that if Peter Marshall and some of his firemen had to fight a fire racing up a hill towards them they would not be able to fight it any better than the volunteer firemen who represent the CFA.

Recently I went to a CFA 50th birthday celebration of the Mount Martha Fire Brigade. Some people have been involved with that brigade for more than 50 years because there are third-generation families in that area who have dedicated their lives to the CFA, and in particular that brigade. In the old days people had horses and buggies and carried buckets of water to fight fires. The brigade has now built itself into a magnificent unit and volunteers have provided their own time and money to help fight fires and represent the people in the area.

I cannot speak highly enough of the CFA. I am saddened that the government has been prepared to introduce legislation and the insurance council people

are saying they do not want to have representatives on the board. The minister said that he will appoint two particular people. We know that he has four people on the board which gives him complete control of it, but he wanted two more.

Hon. N. B. Lucas — Labor mates!

Hon. K. M. SMITH — Yes; filled with Labor mates. This may be a job for Jim Reeves in the future. He can become a board member of the CFA because he missed out on the big job; or Bill Shorten may come down from the alpine areas. Even worse, they may appoint Peter Marshall! That would be dreadful. He is the same Peter Marshall the police are now investigating in regard to members of a particular council being asked to contribute money to a women's policing book that was being distributed, but they suddenly found themselves being billed by the UFU. Two members, Mr Boardman and I, have from time to time been critical of the UFU. One can imagine that the UFU has said: these two members have obviously changed their position and must be supporting the UFU because they paid their $269.50 and are prepared to advertise in the book.

The last time I was critical of Peter Marshall and the position he took, particularly on the training of CFA volunteers, he wrote to me and asked for an apology for being critical of the UFU. What a joke!

Hon. N. B. Lucas — It was a waste of a stamp!

Hon. K. M. SMITH — It was a waste of a stamp, just as it is a waste of time for my good friend from the National Party, the Honourable Jeanette Powell, to tap her watch to indicate that I should wind up. I will not because I am having such a good time talking about the most wonderful volunteer organisation in Australia — and probably the world! I can only say that my colleague Mr Boardman, in his speech — —

Hon. I. J. Cover — Tell us about the apology. Did you apologise?

Hon. K. M. SMITH — I am afraid I did not apologise. I know that is probably not really good of me, but if he writes to me again I still will not apologise to him! I felt quite insulted that he felt I would apologise to him for the things I had said.

The PRESIDENT — Order! I ask Mr Smith to get back on the bill or wind up.

Hon. K. M. SMITH — I am pleased you raised that issue, Mr President, because that is what this bill is all about: Peter Marshall and the United Firefighters Union getting control of the CFA, and Minister Haermeyer allowing himself to be manipulated by the union. That is in fact what it is all about.

But in view of the fact that this is the second-last day of the sittings, I indicate that this is an important bill. I think I have made the points I wished to make.

Hon. I. J. Cover — And made them well.

Hon. K. M. SMITH — I have made them very well. Thank you very much for that, Mr Cover, I do appreciate that. I'll get a couple more union mates and the troglodytes from the Trades Hall Council for you, okay?

It is important that we maintain the independence of the CFA and continue to maintain this magnificent volunteer organisation here in Victoria to ensure that our homes and our people are safe. I am sure Mr Boardman's contribution during the committee stage — and I might even get into it a little bit more there — will be a great one.

Motion agreed to.

Read second time.

Committee

Committed.

Clause 1 agreed to.

Clause 2

Hon. J. M. MADDEN (Minister for Sport and Recreation) — Although I recognise the comments made by honourable members during the second-reading debate, I just reinforce elements of the second-reading speech which I believe are worth considering, particularly by opposition members who commented on the positions or nominations of members of the board. I reinforce those statements in the second-reading speech:

> The bill proposed to remove the current requirement for the Insurance Council of Australia (ICA) to provide nominations for two positions on the board. This change was proposed in direct response to the ICA's publicly stated policy position of not participating on the board.

The ICA did not want to take part in representation on the board. As has been the case, and as is highlighted in the next paragraph of the second-reading speech:

> Ministers have already been exercising this power under default provisions in section 7(2) of the current act since the ICA stopped making nominations in the mid-1990s.

Hon. P. R. Hall — It doesn't make it right.

Hon. J. M. MADDEN — What I am saying is that this has been consistent. It has been the status quo since the 1990s. What we are doing now is clarifying that, as was the case in the legislation introduced in the other chamber. Because the opposition was not prepared to accept that, those provisions were amended. Again I reinforce that in this instance the bill now before the committee would maintain the status quo. Nothing would change.

The opposition parties are requesting amendments to make changes, and again I reinforce that we do not believe those changes to be appropriate, nor are they manageable in an appropriate form. Since that has been probably the most contentious issue in the debate this evening, I wanted to clarify that, and re-emphasise that on that basis the government proposes not to accept the amendments to be moved by either of the opposition parties.

Clause agreed to; clauses 3 to 5 agreed to.

Clause 6

Hon. K. M. SMITH (South Eastern) — I raise concerns regarding municipal fire prevention plans and who is responsible for ensuring that the municipalities have decent fire prevention plans. Each honourable member is very much aware that bush and scrub fires often start on land owned or controlled by municipalities. I am not sure that what is in this bill gives enough authority to the Country Fire Authority (CFA) to take control of the municipalities around Victoria that have been negligent over the years in ensuring that their little patch of ground is looked after in such a way as to prevent fires on their own land.

I would like the minister to give me some assurances that those municipal fire prevention plans are controlled more by the local members of the CFA who can advise the municipalities that they have to take action on their own land.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — Sections 55A and 55B were included in the act in 1997, and they require each municipal council to prepare and maintain a municipal fire prevention plan for its municipal district — and this is the crux — which is then audited by the Country Fire Authority. I reinforce that that municipal fire prevention plan is audited by the CFA, thereby clarifying Mr Smith's point. The preparation is done by the municipality but it is audited by the CFA, so it is not done in isolation but in consultation with the CFA.

Hon. K. M. SMITH (South Eastern) — Is the CFA in a position where it can direct municipalities to take some fire prevention measures on their own land?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I reinforce that the fire prevention plan would highlight elements of concern across the municipality. I understand the CFA would then audit that fire prevention plan, and I am advised that should the audit highlight areas that are not addressed in the fire prevention plan — the sorts of areas of concern Mr Smith is suggesting pose a greater fire risk — the CFA would have greater input to that municipal fire plan through the audit process.

Hon. K. M. SMITH (South Eastern) — I was not so much saying 'having input' as 'having control over' municipalities with their fire prevention plans.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that these amendments allow the CFA to have greater influence in relation to the municipal councils' fire prevention plans and also allow it to direct the councils to make appropriate changes to those plans, so that means the plan would highlight areas that need direct attention. In that manner it would allow the CFA to have a direct say in specific areas of concern.

Clause agreed to; clauses 7 to 10 agreed to.

Clause 11

The CHAIRMAN — Order! We are of the opinion that amendment 1, which stands in the names of the Honourable Cameron Boardman and the Honourable Peter Hall, will test amendments 2, 3, 4 and 5. I now invite the Honourable Cameron Boardman to move amendment 1 standing in his name and to canvass amendments 2, 3, 4 and 5 in the process.

Hon. B. C. BOARDMAN (Chelsea) — I move:

1. Clause 11, line 15, omit "***section 115***" and insert "***sections 115 and 116***".

I will also canvass amendments 2, 3, 4 and 5, and I will respond to the minister's preamble in the committee stage.

The opposition is well and truly aware of the jurisdiction the minister has under section 7(2) of the main act. We understand that past governments particularly have used that section, which allows the minister to make appointments where the authorities listed under the main section 7(1) have not furnished their nominations and the minister has the discretion to put his own people up. In the past that has worked well.

Past governments have used that clause appropriately. The Kennett government appointed to the Country Fire Authority (CFA) board people who were undoubtedly appropriate and responsive, and professionally qualified and competent to fill the roles with the diligence and professionalism that the roles require.

But I have to stress that the reason the opposition will move these amendments is that the government has form with this type of issue. In the past two days on two separate occasions this house has debated and asked questions on issues where the government has form — the appointment of Jim Reeves to the Urban and Regional Land Corporation and the appointment of Bill Shorten to the Alpine Resorts Commission.

The government has a track record that is dubious, and the opposition does not want to place the Victorian public or the members of the CFA in a situation where the minister will be appointing people not in the best interests of the organisation and who have some political or other alliance with the Australian Labor Party. In response to the minister's concerns, that is the justification for the amendments, and in the circumstances the justifications are more than adequate.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — All I can say is that I believe those concerns are flawed and as such we as a government will not support the amendments proposed.

Hon. K. M. SMITH (South Eastern) — Regarding the appointment of people to the board, in the time that I have been a member of Parliament and served in this place I do not think I have ever seen a paragraph in a second-reading speech that has criticised the opposition in the way that this minister's second-reading speech has done. I will read it out:

> Unfortunately, the opposition has determined it will play politics with these proposed changes. It indicated it would block the proposed changes, publicly characterising them as an attempt by the Victorian government to stack the CFA board

That is a disgraceful thing to put in a second-reading speech when we have very genuine concerns about the people who will be appointed to the board. We have genuine concerns about the people who are already on the board, the representatives of the 60 000 members of the CFA, who may well find themselves on a board that has been stacked with Labor Party appointees who will do the bidding of the Labor government instead of doing the bidding of the people of Victoria and their need for a CFA. It is a disgrace that that is in the second-reading speech. This minister and the Minister for Police and Emergency Services should reflect a little bit on what they put in second-reading speeches because we do not appreciate it. We have raised genuine issues of concern that the types of people the minister may appoint to the board will not reflect the best interests of the people of Victoria.

Hon. P. R. HALL (Gippsland) — It is a remarkable coincidence that there are two identical sets of amendments, one moved by the Honourable Cameron Boardman and one proposed to be moved by me. Given that the opposition has first call I am pleased to stand and second each of the amendments moved by the opposition.

I want to state my understanding of how the committee is proceeding through amendments 1, 2, 3, 4 and 5. The house is debating amendment 1, which tests the five. My understanding is that amendments 1, 2, 3, 4, and 5 allow for the insertion of a new clause, which comes under amendment 6. So amendment 1 allows for the insertion of transitional provisions because of changes to the CFA board as proposed in amendment 6, and that is the same with amendments 2 and 3 putting in those transitional provisions — amendment 3 is just a renumbering clause, as are amendments 4 and 5. The renumbering is required because of the insertion of the new clause to follow clause 2, once again as per amendment 6.

I therefore submit that the substantive debate is really on amendment 6, so by putting amendment 1 we are really testing how the house will decide on each of the amendments. I am happy to go by your ruling, Mr Chairman, that at this stage we will do a test for amendment 1, which will test amendments 2 to 5, and I would like to contribute further when we talk about the detailed composition of the boards under amendment 6.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — That is understood, and I appreciate Mr Hall's comments. I believe amendment 6 is probably the philosophical issue that is of contention in the chamber tonight, but to streamline the proceedings I recognise that rather than get too caught up in the symbolism of the process we should just stick to the amendments and divide accordingly on the first one.

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

Ayes, 14

Broad, Ms	Madden, Mr
Carbines, Mrs	Mikakos, Ms
Darveniza, Ms (*Teller*)	Nguyen, Mr (*Teller*)
Gould, Ms	Romanes, Ms
Hadden, Ms	Smith, Mr R. F.
Jennings, Mr	Theophanous, Mr

McQuilten, Mr
Thomson, Ms

Noes, 27

Ashman, Mr
Atkinson, Mr
Baxter, Mr
Best, Mr
Birrell, Mr
Boardman, Mr
Bowden, Mr
Brideson, Mr
Coote, Mrs
Cover, Mr
Craige, Mr
Davis, Mr D. McL. (*Teller*)
Forwood, Mr
Furletti, Mr
Hall, Mr
Hallam, Mr
Katsambanis, Mr
Lucas, Mr (*Teller*)
Luckins, Ms
Olexander, Mr
Powell, Mrs
Rich-Phillips, Mr
Ross, Dr
Smith, Mr K. M.
Smith, Ms
Stoney, Mr
Strong, Mr

Amendment agreed to.

Amended clause agreed to.

Hon. B. C. BOARDMAN (Chelsea) — I move:

2. Clause 11, line 17, after this line insert —

'"115. Transitional provision — Country Fire Authority (Miscellaneous Amendments) Act 2001 — Membership of Authority

(1) Despite the commencement of the **Country Fire Authority (Miscellaneous Amendments) Act 2001**, the Authority as constituted on and after that commencement is deemed to be the same body as the Authority as constituted before that commencement.

(2) Despite the commencement of the **Country Fire Authority (Miscellaneous Amendments) Act 2001**, a person who is a member of that Authority under section 7 as in force immediately before that commencement, continues, subject to this Act, to be a member until the expiry of that person's term of office.'.

3. Clause 11, line 18, omit '**"115**' and insert "**116**".

4. Clause 11, line 23, omit "9" and insert "10".

5. Clause 11, line 28, omit "9" and insert "10".

Like amendment 1, they are simply enabling amendments to deal with amendment 6, which is a new clause A to follow clause 2.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — Again, the government does not accept those proposed amendments.

Amendments agreed to; amended clause agreed to.

New clause

Hon. B. C. BOARDMAN (Chelsea) — I move:

6. Insert the following new clause to follow clause 2 —

'A. ***Constitution of Authority***

In section 7(1) of the **Country Fire Authority Act 1958**, for paragraphs (d), (e) and (f) **substitute** —

"(d) one is to be selected by the Governor in Council from a panel of not less than two names submitted by the Victorian Farmers Federation;

(e) one is to be selected by the Governor in Council from a panel of not less than two names submitted by the Victorian Employers Chamber of Commerce and Industry;

(f) one is to be appointed by the Governor in Council from a panel, submitted by the executive committee of the Municipal Association of Victoria, of the names of two persons, each of whom, at the time of submission, is a councillor of a municipal council with a municipal district that is —

(i) wholly or partly within the country area of Victoria; and

(ii) within an 80 kilometre radius of the General Post Office (Corner of Elizabeth and Bourke Streets) Melbourne;

(g) one is to be appointed by the Governor in Council from a panel, submitted by the executive committee of the Municipal Association of Victoria, of the names of two persons, each of whom, at the time of submission, is a councillor of a municipal council with a municipal district that is —

(i) wholly or partly within the country area of Victoria; and

(ii) outside an 80 kilometre radius of the General Post Office (Corner of Elizabeth and Bourke Streets) Melbourne.'.

This amendment relates to issues that have been widely canvassed in the second-reading debate and also in this committee.

In summation, in reference to the Insurance Council of Australia wishing to divest itself of the responsibility of making possible appointments to the Country Fire Authority board, we will replace paragraphs (d), (e), (f) and (g) in section 7(1) so that the Victorian Farmers Federation will provide two names to the Governor in Council for recommendation for a representative position on the CFA board. Similarly, the Victorian Employers Chamber of Commerce and Industry (VECCI) will provide two names, one of which the Governor in Council will appoint to the CFA board.

Similar to the existing situation regarding urban and rural municipalities, the Municipal Association of Victoria (MAV) will provide two representatives, one from urban areas and the other from rural areas to serve on the board.

That clause needs to be clarified, because the definition of rural district contained in the principal act states that it:

> … means an area designated by the Authority as the main area of operation of a rural brigade …

The act defines an urban district to mean:

> … an area designated by the Authority as the main area of operation of an urban brigade …

The opposition is concerned that, as the act allows the authority to determine which is an urban area and which is a rural area, there could be some potential for conflict and confusion as to what municipalities would be designated as urban or rural.

The opposition's amendment clearly stipulates that a test should be provided under the definition of the proposal of a rural municipality to show that it is one that is wholly or partly within the country area of Victoria and outside 80 kilometres of the General Post Office (GPO) at the corner of Elizabeth and Bourke Streets in Melbourne. That removes the confusion and removes the potential for the MAV to appoint or nominate two councillors who would come from what the opposition would consider to be metropolitan or urban councils such as those mentioned in the second-reading debate — the City of Greater Dandenong, the City of Kingston or the City of Frankston — within which CFA brigades operate but which in no way could be construed to be rural areas. They are definitely urban and residential environments, and the opposition does not want a situation to occur where rural and country areas are not adequately represented to the extent that they should be.

The definition of an urban area is exactly the same, except that it is inside a radius of 80 kilometres from the GPO. It is an explanatory amendment and will improve the efficiency of the act and make it easy for the MAV to determine a municipality's location and which municipalities will provide the representatives to the CFA board. It will remove any potential conflict that may arise from the existing provisions. I am disappointed that the minister has foreshadowed that the government will not support what is a commonsense amendment.

Hon. P. R. HALL (Gippsland) — As this amendment appears to be identical to amendment 6 standing in my name, I am pleased to second the new clause moved by the Honourable Cameron Boardman.

Honourable members interjecting.

Hon. P. R. HALL — I had absolutely no knowledge of what Liberal amendments were going to be brought here tonight.

In his response to amendment 2 the minister said that the effect of the government's decision to withdraw the original clause 3 from the bill meant that 'nothing will change'. Those were his words. That is not completely accurate. It will formalise the process and practice that exists. That is a truer statement of the effect the government's proposal to withdraw clause 3 from the original bill will have. The opposition says that is not good enough. If there is a chance to change the composition of the board it should be made a better board. Because two representatives from the industry council are dropping out of this, it can be made better by representing organisations such as the Victorian Employers Chamber of Commerce and Industry and the Victorian Farmers Federation in place of those two industry council positions. That would be better than giving the minister an open-ended agenda to appoint whomever he wants. Let's make it a better bill. We have been saying that from day one, and the government has refused to sit down with the opposition and the National Party to negotiate, so it is the government's fault that we are at a stalemate tonight.

As has been explained, the effect of the new clause moved by the Honourable Cameron Boardman is to remove three provisions in section 7 of the act, which would remove the two industry council appointees and the two nominated Municipal Association of Victoria positions. In their place the amendment substitutes new paragraph (d), which provides for a nominee of the Victorian Farmers Federation; new paragraph (e), which provides for a nominee of the Victorian Employers Chamber of Commerce and Industry; new paragraph (f), which provides for a nominee of the Municipal Association of Victoria from councils within 80 kilometres of the GPO; and paragraph (g), which provides for a Municipal Association of Victoria nominee from an area outside an 80-kilometre radius of the GPO.

The National Party sought advice on these changes to see what people think of the government's decision to withdraw clause 3 of the bill. Once again my constituent, Alex Hooper — I warned you, Mr Chairman, that he was a dogged, good volunteer who is in touch with me constantly — was in touch on Monday to say:

> The government proposal to delete clause 3 is not acceptable unless replaced with your proposed amendment. I urge you and your colleagues to take every action to have your proposed amendments included, and if possible to have the Victorian Employers Chamber of Commerce and Industry nominee to be a member from the country area of Victoria.

The National Party is not making that stipulation in the amendment. The Victorian Employers Chamber of Commerce and Industry nominee does not necessarily have to be from country Victoria, but we will convey that request. That is the view of a representative of the vast number of volunteers in this great organisation, the CFA, and they need to be listened to. They need our support, and the National and Liberal parties are giving them that support. I call on the government to also support the volunteers in the CFA by supporting this amendment.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — In relation to the clause and the issues discussed by honourable members opposite, again the government does not support the amendment. However, I emphasise that the Municipal Association of Victoria would still have been required to provide nominations for two board members even if the bill stood the way it was prior to coming to this chamber. There is a degree of symbolism in the submission of the 80-kilometre radius from the General Post Office as a definitive boundary in relation to the metropolitan area, and it must be appreciated that as a result of urban sprawl over time that 80 kilometres will become a more confused and arbitrary measure to define what is rural.

I also emphasise that those definitions in many ways recognise the symbolism, and there is nothing wrong with that, but in terms of workability there is still the potential to appoint people who live outside the 80-kilometre radius but in highly urbanised regional centres, so in a sense although they live outside the 80-kilometre radius they will necessarily have the ability to deliver on such aspects as a greater understanding of rural issues. As previously highlighted, the status quo would have prevailed had the bill been allowed to pass. One must appreciate that since the mid-1990s the minister has been able to exercise power under the default provisions of section 7(2). I find it somewhat difficult to appreciate the sensitivity of honourable members opposite when in fact they had a substantial period of time in which to make those alterations had they been so perceptive of that issue. The government will not support the amendment.

Hon. B. C. BOARDMAN (Chelsea) — The concluding comments of the minister are nonsense, because the government has introduced the legislation to change the composition of the board. The government is entitled to do so, and the opposition is just using the opportunity to streamline the process and make it more effective as well as to provide the guidelines that will better service the community of Victoria and make it more appropriate to ensure the best people are in the job.

The minister's point in relation to the 80-kilometre radius is far more than symbolism, but it is a practical definition. It is far more reasonable and streamlined than the current definition, which, as I stated in a past contribution, is primarily based on an interpretation of the act by the board as it stands. That interpretation is by no means steadfast or reasonable for the reasons the minister has outlined.

There are issues of urban sprawl, consolidation and residential development. For that reason, although the 80 kilometres used is a practical example, the opposition acknowledges it may have to change in the near future, but the current definitions in the principal act are hardly worthwhile. For that reason, our proposals are exceptionally valid. It is disappointing that the government is not being as practical as it should be.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am happy to very quickly respond to that issue.

Hon. P. R. Hall — You don't have to!

Hon. J. M. MADDEN — I know I don't have to, but I am happy to in this instance. The proposed change the government was seeking was in direct response, I am advised, to the Municipal Association of Victoria's concerns that the current rural and urban distinction was difficult to interpret in practice.

Hon. K. M. SMITH (South Eastern) — How could the Municipal Association of Victoria say it was difficult to interpret when it is very well set out in the amendment that has been put forward by Mr Boardman? The distance of 80 kilometres is a set area that should be very easy to follow.

If the minister is concerned about the urban sprawl moving out further, it is easy to come back into this chamber, as the minister knows, to make practical amendments to bills. At least the new clause sets practical guidelines that people may understand. I believe the proposal put forward by Mr Boardman sets it out well.

The suggestion is that not less than two names will be submitted by the Victorian Farmers Federation, from

which one person will be selected; and two names will be submitted by the Victorian Employers Chamber of Commerce and Industry, one to be selected, and they are people who have great interest in the areas they represent, particularly those in areas that may be covered by the CFA.

The other name is to be selected by the Governor in Council from a panel submitted by the executive committee of the Municipal Association of Victoria. I believe that proposal put forward by my colleague Mr Boardman is good, straightforward and easy to understand.

Hon. B. C. BOARDMAN (Chelsea) — For the record and for the government's edification, the opposition has consulted extensively on these definitions. They have been accepted by all stakeholders, not just the VFF and VECCI, and particularly by the members of the CFA, as being appropriate and reasonable in the circumstances. If the government is not in agreement with what the key stakeholders believe is reasonable, quite clearly it is not representing the interests of those people as adequately as it should be.

New clause agreed to.

Reported to house with amendments.

Report adopted.

Third reading

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I move:

That this bill be now read a third time.

In doing so I thank all honourable members for their contributions.

Remaining stages

Passed remaining stages.

RULINGS BY THE CHAIR

Auditor-General's report: publication

The PRESIDENT — Order! The house will recall that on 21 November it asked me to undertake an investigation in relation to the release of the Auditor-General's report on teacher work force planning.

At the request of the Council I wrote to Mr Stuart Hamilton, the Secretary of the Department of Education, Employment and Training, and to Professor Mary Kalantzis, the president of the Australian Council of Deans of Education, being the two recipients of the draft Auditor-General's report. I had the assistance of the Auditor-General in the terminology I used, and my letter states:

> I have been requested by the Legislative Council to write to you in relation to the release of this report, which was tabled in both houses of Parliament yesterday.
>
> It is clear from an article which appeared in yesterday's *Age* newspaper that the *Age* was given access to the contents of that report prior to it being tabled in Parliament. This represents a grave discourtesy to Parliament and was certainly upsetting to the Auditor-General.
>
> The Auditor-General has advised that only two copies of the draft report were prepared. One of these was provided to the president of the Australian Council of Deans of Education and the other was provided to you as Secretary of the Department of Education, Employment and Training. Mr Cameron — —

the Auditor-General —

> informs us that each page of those documents was stamped 'draft' and 'confidential'.
>
> The request from the Legislative Council is that I write to the two recipients of the report and seek your assurance that the leak did not occur from your office and to otherwise seek an explanation as to how the leak might have occurred. Were copies made of the document, and if so, to whom were they provided?

I asked them for an early response. I have now received the two responses, the first from Mr Stuart Hamilton of the Department of Education, Employment and Training, in which he states:

> I refer to your letter of 21 November 2001, not received by me until 27 November, in relation to the release of the Auditor-General's report on teacher work force planning.
>
> I received from the Auditor-General a copy of the draft report for the purpose of providing a response for inclusion in the final report. This draft was sent by my office to the senior officer responsible for coordinating the DEET response, who in turn made copies for consideration by senior officers in other parts of the department who had responsibilities relevant to developing that response. Each of these senior officers has assured me that a leak of the report did not occur from their offices, and I can assure you that a leak did not occur from my office.

A letter dated 3 December from Professor Kalantzis, which I got today, states:

> I was sorry to hear about the concern experienced by the Auditor-General regarding the article in the *Age* on November 20. I confirm receipt of the report and give you my assurance that the information was not communicated to the *Age* from my office.

> The letter from Mr J. W. Cameron requested me to coordinate a response on behalf of Victorian-based deans of education. In order to do this I had to provide the deans with a copy of the report and a list of the Victorian deans is attached.

There are 12 of them. The letter continues:

> The deans were all aware that the report was a confidential draft.
>
> I am happy to discuss the matter further and to help in any way I can to resolve this matter.

Thus ends the report.

LIQUOR CONTROL REFORM (PROHIBITED PRODUCTS) BILL

Second reading

Debate resumed from 4 December; motion of Hon. M. R. THOMSON (Minister for Small Business).

Hon. C. A. FURLETTI (Templestowe) — I am pleased to contribute on behalf of the Liberal opposition to debate on the Liquor Control Reform (Prohibited Products) Bill. The opposition's resolution not to oppose the bill was tempered somewhat by the house amendments introduced in the other place with respect to the extraordinary powers given to the minister in this bill. I will refer to those powers shortly.

I will begin by saying that the opposition agrees in principle with the provisions of the bill insofar as they seek to restrict the sale and availability of alcohol-based food essences as defined in the bill and the inappropriate use of those products by young people. The bill is typically a very brief bill. The purpose of the bill is to:

> … amend the Liquor Control Reform Act 1998 to prohibit or restrict the sale of certain alcoholic products …

The phrase 'certain alcoholic products' refers to alcohol-based food essences defined in clause 4 of the bill. The definition of an alcohol-based food essence is:

> a food flavouring preparation in liquid form intended for human consumption with an alcoholic content greater than 0.5 per cent by volume at a temperature of 20° degrees Celsius.

That definition is very similar to the definition of alcohol in the principal act.

The bill seeks to put into statutory form provisions which the previous government had introduced as regulations. These regulations were aimed at having alcohol-based food essences in large volumes sold only through licensed outlets and to prevent these products being available from grocery stores and supermarkets.

The thrust of this bill is set out in proposed division 1A, which restricts the retail sale of alcohol-based food essences by limiting the volume that can be sold through grocery stores and supermarkets to 100 millilitres or less of vanilla essence and 50 millilitres or less of any other essence. The main purpose of that restriction is to ensure that, because of their very high alcohol content by volume, alcohol-based food essences cannot be utilised as a cheap alcohol source by young people and those who use alcohol for inappropriate purposes. The bill therefore restricts the retail sale of those essences to the volumes I have mentioned and prohibits the sale of larger volumes, with the exception of wholesale sales to those who use the products for commercial purposes.

The bill before the house results from an unfortunate incident in late 1999 when a young man who had consumed a large volume of essence was found in a very bad state and subsequently died. The coroner's report was handed down recently and although it did not directly attribute the young man's death to the alcohol he consumed, it was certainly found that it had contributed to it. It was a shame that the effect of the essence he had consumed was so serious as to have rendered him unconscious, which led to his untimely death.

I thank the minister and her advisers, and in particular Mr Brian Kearney from Liquor Licensing Victoria, for the briefing provided. I learnt that a 375-millilitre bottle of vanilla essence which sells for about $3.30 has the equivalent content of 25 standard drinks, which is a very significant amount. When one considers that price and the impact that that level of alcohol could have, particularly on young people — some of whom appear to drink only for the purpose of getting drunk very quickly — one can understand why this bill is being introduced.

As I said, the initial regulations were introduced by the previous Minister for Small Business, the Honourable Louise Asher, now the honourable member for Brighton in the other place. It has come to the attention of this government that the regulations are no longer effective, and therefore it has taken the step of putting those restrictions into statutory form. From that perspective the opposition is very supportive of this legislation and would certainly have supported it had it not been for the very broad powers of regulation contained in proposed division 1A which is inserted in part 8 of the principal act by clause 7 of the bill.

Those provisions give the minister the power to make regulations prohibiting the supply of any class of liquor, and they go on to give the minister absolute power in terms of regulation making under this bill.

One of the serious concerns expressed by the opposition at the very broad powers given by the bill was with the number of bills being introduced by this government which give the minister excessive regulatory powers without control. I give the minister credit: when I raised the matter with her and sought that the government consider a disallowance power in the bill, she eventually conceded — that was reflected in the house amendment which was introduced — and we are very grateful for that.

As a result, we oppose the bill less — rather than support it. I do not have the power to say we support it, not having gone to the shadow cabinet, but we certainly have a far more favourable attitude to that area. Were the government to consider adding as a matter of course a disallowance provision in most of the bills introducing the power for a minister to make regulations, I suspect there would be far greater support for a lot of the government legislation.

The opposition is very conscious of the reason for the introduction of the bill and is keen to see the sale of alcohol-based products being controlled. It is also very conscious of the fact that almost daily new products are being invented about which the government needs to be vigilant — for example, the spray alcohol products and alcoholic ice-creams that are coming onto the market — and, most importantly, the availability of those products to young people.

Therefore, in terms of a decision by members of the Liberal Party before we were aware of the disallowance provisions, members of the opposition all but support the bill. Had we been aware of that decision, we may have supported the bill unequivocally. I commend the bill to the house.

Debate adjourned on motion of
Hon. KAYE DARVENIZA (Melbourne West).

Debate adjourned until next day.

ADJOURNMENT

Hon. M. M. GOULD (Minister for Industrial Relations) — I move:

That the house do now adjourn.

Women: HIV/AIDS

Hon. ANDREA COOTE (Monash) — The matter I raise with the Minister for Industrial Relations for the Minister for Health in another place is in regard to women with HIV/AIDS. As everyone knows, last Saturday was World AIDS Day, which brings to our attention the devastation of this disease and its implications on everyone's lives. We are all vulnerable. However, often education is directed at only particular sections of our community. Women are often the invisible faces of the AIDS epidemic.

An organisation in my electorate called Positive Women, which is run by women with HIV/AIDS for women with HIV/AIDS, does a fantastic job in raising community awareness of women with the disease and providing peer support, information and advice. Education about AIDS prevention is vital. I ask the minister how much funding he gives to the education of women, especially older women, on the prevention of HIV/AIDS.

Snowy River

Hon. R. M. HALLAM (Western) — The issue I raise is for the Minister for Energy and Resources. The minister will be well aware of my interest in the $40 million shown as an output initiative for 2000–01 — —

Hon. W. R. Baxter — We are all interested.

Hon. R. M. HALLAM — Thank you, Mr Baxter. In particular, I am interested in the relevance of that output initiative reported in retrospect under the title 'Restoration of environmental flows to the Snowy River', at page 259 of budget paper 2 for 2001–02, when as the minister has subsequently conceded the actual expenditure under the program was only $2.4 million for that particular year.

I have raised the issue on previous occasions, but I remain unconvinced by the minister's responses. I now ask her to explain to the chamber why that initiative is reported in the 2001–02 budget documents at $40 million when the previous budget included the same line item at only $12.3 million. More specifically I seek an explanation from the minister as to what happened during the initial year to require that the estimate given at the time be so dramatically increased in retrospect, particularly given that the actual expenditure was only a fraction of the initiative as originally reported.

Internet Registrations Australia

Hon. P. A. KATSAMBANIS (Monash) — I raise for the Minister for Small Business, who is also the Minister for Consumer Affairs, an important issue which covers both portfolios. Many small businesses in Victoria have registered Internet domain names and most of those are Australian domains — that is, .com.au. Those .com.au domains are registered by Melbourne IT, a company based in Melbourne and trading as either Internet Names Australia or Internet Names Worldwide.

Internet Names Australia will only licence a domain name in the .com.au domain for a period of two years at a time and the current renewal fee is $137.50. Melbourne IT, as the owner of the domain, issues invoices and small businesses pay them. Recently another company which trades under the name of Internet Registrations Australia has been writing to registered domain name holders before Melbourne IT issues its renewal notices offering to renew the registrations for 2 years, 4 years and sometimes up to 10 years. It requests $200 for each two-year period of renewal. If you pay Internet Registrations Australia for that period it simply forwards the $137.50 fee to Melbourne IT and keeps the rest of the money. If you select the longer period of registration presumably Internet Registrations Australia keeps the money and if it is still around in a couple of years time will forward the renewal registration at that time to Melbourne IT.

What is worse, Internet Registrations Australia has now started writing to registered domain name holders in Australia offering what it terms a free listing in a new Internet directory called *Business.com.au Internet Directory*. However, apart from the fact that there is no guarantee that the directory will ever be published, the real catch is that registration in this directory is not free. In order to be registered in this directory you have to hand over management of your domain name, your .com.au domain name, to Internet Registrations Australia, which means that they are the people who will then be able to go to Melbourne IT and renew the registration. Effectively you have to pay the $200 to Internet Registrations Australia.

My question to the minister is clear. I know this is a difficult issue, but it is clear in my mind that Internet Registrations Australia is trying to mislead Victorian small businesses into renewing with them instead of directly with Melbourne IT. I ask the minister to investigate this important issue and make sure that small businesses in Victoria are protected from what looks to me a bit like a scam.

Fuel: shortages

Hon. P. R. HALL (Gippsland) — I raise a matter with the Minister for Industrial Relations, representing the Premier in the other place. I seek the assistance of the Premier because I understand he is the minister who administers the Essential Services Act.

The situation has arisen that there is a critical shortage of fuel in Victoria, particularly diesel fuel and unleaded petrol. I understand that this shortage is created by the fact that the refinery at Altona is out for maintenance and is likely to be out for another two weeks. There are also refineries in South Australia and New South Wales which have had periods when they have not been able to supply petrol. As a consequence many important and vital industries in Victoria, and in particular country Victoria, face critical shortages of fuel at this point in time.

I refer to the operation of school buses, the operation of milk tankers with the pick-up of milk, which is in its peak season at the moment, the operation of grain harvesters and the need to ensure that the grain harvest is brought in. Because of this critical shortage of fuel there are likely to be some severe problems in providing those essential services.

Fuel is an item defined under the Essential Services Act. My request to the Premier is to take some immediate and urgent action to look into this matter to see if there is a need to implement the provisions in the Essential Services Act to ensure that fuel supplies continue to flow in this state and those important industries I have referred to are able to access fuel and carry out their businesses as required at this time.

Federation Square

Hon. W. I. SMITH (Silvan) — I refer the Minister for Major Projects and Tourism, through the Minister for Sport and Recreation, to senior appointments and an appointment made at the time the Bracks government was elected. Just before the government came into power the board of Federation Square completed an exhaustive six-month process to find a person to manage the board's operating company. They offered the job to a Karen Peuls. However, when the government came in it was decided out of respect for the state election process to defer Ms Peuls's formal appointment until the new government had been formed. Within days of taking office the Bracks government blocked the appointment of Ms Puels. It decided to put in somebody else the board had decided not to appoint, Peter Seamer.

At the time the Premier was queried by a journalist about the blocking of the Peuls appointment and said that Peuls was asking for a $400 000-a-year salary. That was clearly untrue at the time. The director of major projects was, at that time, raising serious questions about the Bracks government in writing about the costs, time and commercial impacts of the interference by Premier Bracks in the design of the Federation Square project. That has now been realised at enormous cost to the Victorian taxpayer.

Peter Seamer, the new chief executive officer, then wrote a report to the Bracks government about its management of Federation Square. Did the Minister for Major Projects and Tourism, Mr Pandazopoulos, go to the director of major projects to tell him about the report? No, he went straight to the *Age* and released a report. He said on the basis of the report he was sacking Dick Roennfeldt from the Federation Square project. Dick read about that in the Saturday edition of the *Age*. Who is the new director of major projects? It is former Premier John Cain's son. In light of the Reeves appointment, I ask the minister if he believes due process has occurred in this particular procedure or if there was political interference.

Beach Road, Beaumaris: safety

Hon. J. W. G. ROSS (Higinbotham) — I refer the Minister for Energy and Resources, as the representative of the Minister for Transport in the other place, to a dangerous section of Beach Road between Bodley and Deauville streets in Beaumaris. I have been advised there has been at least one serious accident on this stretch of road, and residents living nearby have advised me of near misses almost every day and the regular appearance of skid marks on the road. There appear to be road lane design problems that encourage southbound motorists to overtake in the dual lane section of the road, but suddenly they then need to negotiate a narrower section with a bicycle path and a dangerous intersection at Cromer Road. My constituents have requested that I seek the assistance of the minister to have this section of Beach Road evaluated for safety.

V/Line: promotions

Hon. E. J. POWELL (North Eastern) — I refer the Minister for Energy and Resources, as the representative of the Minister for Transport in the other place, to a matter referred to me by a constituent of the Honourable Bill Baxter and me, Mrs Val Hill, who phoned my office yesterday. She had seen an ad in the *Herald Sun* headed 'The best way into the city is with V/Line'. It states in part:

> It is all happening in Melbourne. Summer is a great time to visit Melbourne. Enjoy the excitement of the cricket, the fun of the tennis, or just take advantage of the great weather and visit the Melbourne zoo, Melbourne Aquarium or Melbourne's famous stores.

The ad listed some special prices. There is a Melbourne day out ticket which includes weekend travel on V/Line trains at the lowest off-peak prices, and there is also a special family saver ticket on which you can travel with your kids for only $5. However, there is some very small print which says it is only available on some lines.

When my office telephoned V/Line they said it was not offered from Shepparton — it is offered from Albury–Wodonga and Wangaratta but not from Shepparton. My constituent thinks it is because Hoys is a private line operator at Shepparton; however, all other V/Line concessions are available from Shepparton. The Hoys office advised that National Express runs V/Line and this promotion does not include other private operators, which has happened before.

Why does the government allow some promotions and not others to be offered to private operators by V/Line, thereby disappointing travellers from Shepparton, which is the fourth-largest regional centre in Victoria. Will the minister extend the promotion so that people in the Shepparton region can also travel to Melbourne at this very special price?

Australian Football League: grand final tickets

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — I raise a matter with the Minister for Consumer Affairs which relates to a matter I raised this morning during question time regarding the scalping of Australian Football League Grand Final tickets. I go back to the minister's answer to a question without notice from the Honourable Ron Best of 25 September this year, when the minister informed the house:

> If we discover that tickets are being sold well beyond the recommended retail price action will be and is taken on those matters.

It is clear from the minister's answer to Mr Best that she or her department has had instances of ticket scalping, which have been acted on in some form. I seek from the minister an explanation of what action she or her department has taken, as her answer of 25 September indicates action has been taken in relation to ticket scalping.

Caseys Weir

Hon. W. R. BAXTER (North Eastern) — I raise a matter with the Minister for Energy and Resources for referral to her colleague the Minister for Environment and Conservation in another place. It goes to an issue I have reflected upon previously in another context — this is, where public policy decisions taken in isolation may lead to conflict with other policy decisions. In this particular example it happens to be decisions being made within the one department that are likely to be at odds with each other. I refer particularly to the future of Caseys Weir on the Broken River, just downstream of Benalla.

Caseys Weir was originally constructed primarily to provide water to a stock and domestic scheme which was operated by the old Shire of Tungamah and more latterly has been operated by Goulburn-Murray Water but which is now to be replaced with a pipeline system, which is entirely laudable because it will save a lot of water and increase delivery efficiencies. The consequence I am told is that Caseys Weir, which serves the Broken–Boosey–Nine Mile creek system, will no longer be required for that purpose and may therefore be removed.

If that were the case the creek system would be without water for many months of many years because water simply would not be flowing down the creek system. That would not only be detrimental to adjoining landowners but also, bearing in mind the recommendations of the Environment Conservation Council with regard to a state park on the Broken and Boosey creeks, scarcely in line with the council's recommendations either. It may be said that this is just returning the creek system to what was previously its condition before Caseys Weir was constructed a century ago. That is not so because previously the Boosey Creek, which has its headwaters in the Warby Ranges, would have, through spring and summer rainfall, conveyed and delivered water into that area, but because of the building of dams on farms for irrigation — another reason why we need the farm dams bill to be passed — that is no longer a source of supply.

I invite the minister to give close attention to this matter before any decision is taken to decommission Caseys Weir because the implications of so doing may well be far reaching, unexpected and unanticipated.

Trams: City Circle

Hon. M. A. BIRRELL (East Yarra) — I raise a matter with the Minister for Energy and Resources, representing the Minister for Transport, concerning the City Circle tram service. I am particularly concerned to get advice from the Minister for Transport as to when the City Circle tram service will return to the full service that Australian and international tourists grew accustomed to and fell in love with in the late 1990s. It has been a matter of concern that the City Circle tram service, which provides free travel around the central business district in our marvellous W-class trams, has been massively cut back, or at best left in a position of uncertainty.

Tourist promoters need to have greater certainty on this so they can promote it well overseas. Currently it is something of an embarrassment not to be able to give a year-ahead timetable for this popular service. We should all be encouraging the use of W-class trams, and of course we all want to promote the benefit not just to tourists but also to city-based commuters.

We have seen a decreased level of service over the past year, decreased use of W-class trams and — equally bad — no guarantee that we will get back to the full service that we grew accustomed to. I would like advice at the earliest opportunity from the minister as to when he is going to insist that the operators return the full tram service and when we will be able to get some kind of certainty about the timetable so it can be promoted well in advance, particularly by overseas tourist travel wholesalers, who regard this as one of the great assets of our great capital city.

Rural Northwest Health

Hon. R. A. BEST (North Western) — I raise an issue with the Minister for Industrial Relations, representing the Minister for Health in the other place. The issue I raise tonight is the most serious I have ever brought to this house for government action and resolution.

Rural Northwest Health has three campuses — Beulah, Warracknabeal and Hopetoun. In June this year I was advised that management had called a meeting at the Hopetoun campus to advise staff that services were to be removed and closed down; the midwifery and minor surgery services were to be removed and centralised.

I have received reports that at the staff meeting on 26 June at Hopetoun the chief executive officer (CEO) intimidated staff and threatened them with loss of employment if they contacted their local members of Parliament about the proposed changes. The local members are Mr Bishop, Mr Savage, Mr Delahunty, Mr Hallam and me.

I was advised that following that 26 June meeting with staff a public meeting was held in Hopetoun on 10 September, and I and other members of Parliament attended. At the meeting I was presented with nine signed statutory declarations from staff declaring that they were intimidated by the CEO and felt they would be threatened if they contacted their local members of Parliament.

On or about 18 October I was contacted by a staff member from the Warracknabeal campus of Rural Northwest Health and advised that at a staff meeting on 17 October she had been verbally abused and intimidated in front of other staff members, reduced to tears and humiliated. This report and evidence have since been supported by 15 letters from other staff members which have been sent to me.

If that were not enough, it has been reported to me that the CEO of Rural Northwest Health has claimed that because of her personal relationship with my leader, Mr Peter Ryan, there would be no use going to me for help because she would get me pulled into line. The phone call did go to my leader, and my leader said, 'Continue'.

This bullying and intimidating behaviour is totally unacceptable in today's workplace. Twenty-four people from Rural Northwest Health have been prepared to put evidence forward to me about this disgraceful management style. I know I have the support of my National Party colleagues, and I have been advised today that I have the support of the Independent member for Mildura in another place, Mr Savage. I am quite prepared to present these statutory declarations as evidence for investigation. So I call on the Minister for Health to undertake an urgent inquiry into the behaviour, intimidatory tactics and threats to the future employment of staff at Rural Northwest Health campuses of Hopetoun and Warracknabeal by the CEO.

Rail: Pakenham service

Hon. N. B. LUCAS (Eumemmerring) — I raise with the Minister for Energy and Resources, as the representative in this house of the Minister for Transport, the fast train project from Traralgon to the city. The other day I had a meeting with representatives of the Shire of Cardinia and one of the issues they raised was the fast train. Their proposal is, firstly, that the train should stop at Pakenham, given that that is where the train would first come across the metropolitan system and people could access the M Train system there and proceed wherever they wished. The other issues the council raised were the upgrading of crossings and the provision of any sound attenuation that may be necessary along the railway line.

Accordingly I ask the minister to provide advice on the government's decision if any since I last raised this matter as to, firstly, whether the government proposes to have a stopping place for the train at Pakenham — that being the station where the new train will meet the metropolitan system; secondly, whether the government will fund and construct the upgrade of level crossings along the line prior to the operation of the fast train; and thirdly, the details of any government decisions regarding sound buffers or attenuation facilities required or recommended for properties adjacent to the line.

Premier: transfer expenses

Hon. M. T. LUCKINS (Waverley) — I raise a matter with the Minister for Energy and Resources, as the representative in this house of the Treasurer. Will the minister confirm that Victorian taxpayers paid the stamp duty on behalf of Steve Bracks, now the Premier, when he relocated from Ballarat to Williamstown to take up the political appointment of ministerial adviser to the then Premier John Cain and his secondment as statewide employment manager from 1989 to 1993?

Hon. Jenny Mikakos — On a point of order, Mr President, the matter is obviously not of an urgent nature. The honourable member would understand that matters raised during the adjournment debate should relate to the current government's administration. The matter she has raised relates to something that happened many, many years ago.

Hon. Bill Forwood — On the point of the order, Mr President, this issue has just come to light and is obviously urgent in the time it has been raised; it may be old but it is certainly urgent now. It goes to the matter of the standards of this government, which is well in the news at the moment, and I would have thought it was entirely appropriate for this issue to be raised.

Hon. T. C. Theophanous — My understanding of the point of order, Mr President, is that the matter must relate to government business. I put to you, Sir, that something that happened while the current Premier was an adviser has nothing to do with the business of the current government and is not within that purview. If that were the case all sorts of questions could be asked about people when they were newspaper delivery boys and so on. It is ridiculous to be asking questions about

something which has nothing to do with the term of the current government.

Hon. M. T. Luckins — On the point of order, Mr President, after the motions that the government raised this morning, which were of a past not current, nature and which have been mentioned in the media and are known to be of past nature, this has just come to light. I am seeking an explanation from the Treasurer about the propriety of this payment.

The PRESIDENT — Order! I have heard enough of the argument. I remind honourable members of the 'Guidelines as to content' of speeches on the adjournment, as announced to the house by Mr President on 19 November 1975. These guidelines have been in operation for quite some time.

> An honourable member speaking to the motion 'That the house do now adjourn' at the conclusion of a sitting may:
>
> (a) make a complaint;
>
> (b) make a request; or
>
> (c) pose a query.
>
> In doing so, a member must:
>
> (a) raise only matters which are within the administrative competence of the Victorian government;
>
> (b) confine his remarks to a single subject; and
>
> (c) be brief …
>
> A member may not:
>
> (a) develop … a … speech;
>
> (b) reflect upon a statute;
>
> (c) request the introduction of legislation; or
>
> (d) raise a matter previously discussed in the same session.
>
> The matter raised by an honourable member must relate to a recent occurrence — i.e., be of an urgent nature. Any reply by the appropriate minister should be as brief as possible.

Nothing in these guidelines says matters have to relate to the current government, but the guidelines do say matters must relate to recent occurrences. That is clearly not so, and therefore I rule the matter out of order.

Industrial relations: government intervention

Hon. BILL FORWOOD (Templestowe) — I raise an issue with the Minister for Industrial Relations. In response to question on notice 2334, in which I asked the minister how many representations the government had made to the Australian Industrial Relations Commission over various time frames — one of those was up to 30 September 2001 — the minister gave a comprehensive response. In that time, according to the list, the government intervened on the safety net review case, minimum wages orders, parental leave for long-term casuals and reasonable hours of work. The response did not mention Saizeriya, which took place before 30 September. I wanted firstly to confirm that the minister did intervene, because I know Ian Kennedy gave evidence, but I wonder whether any others were left off the list.

Yallourn Energy: dispute

Hon. C. A. FURLETTI (Templestowe) — I address my question to the Minister for Industrial Relations. Today the minister suggested that it is up to the generator company and the union to sort out the dispute at Yallourn. The minister should be aware that the government has a right to intervene in the public interest. She should also be aware that the generator company has the right to bring the dispute back before the Australian Industrial Relations Commission on public interest grounds, but it requires the support of the government to have any chance of success. Will the government support the company if it seeks the commission's approval to further deal with the dispute by confirming to the commission that it would be in the public interest for the commission to immediately consider the matter further?

Yallourn Energy: dispute

Hon. C. A. STRONG (Higinbotham) — My question to the Minister for Industrial Relations relates to the question of the current Yallourn dispute and the minister's ongoing attempts to confuse, deflect and mislead the house on the question of industrial relations. The minister is on the record again today as blaming the transfer of industrial relations responsibilities to the federal government for the dispute at Yallourn. I ask the minister: is it not a fact that the electricity industry has always been under a federal award?

Taxis: surveillance cameras

Hon. G. R. CRAIGE (Central Highlands) — I raise a matter with the Minister for Energy and Resources, as the representative in this house of the Minister for Transport. The installation of surveillance cameras in taxis is a very important issue for taxidriver safety, and it has certainly been supported by the government and the previous Kennett government as well. The Victorian Taxi Directorate sent out a set of draft specifications in February of this year. Those

specifications were identical to the New South Wales specifications of 1998, and that concerns a lot of people because the technology in New South Wales has not been accepted by drivers on the basis that it is outdated.

In March this year representatives of the Transport Workers Union, Victoria Police, the Victorian Taxi Directorate and the Victorian Taxi Association met to discuss the specifications. Only a select group of suppliers were asked to attend to display surveillance cameras. In fact, some major players in the industry that make taxi equipment were not even invited to the meeting. In September 2001 final specifications were sent out to interested parties, and they included all people in Victoria and New South Wales who made surveillance cameras. The Victorian Taxi Directorate set a deadline of 3 November for suppliers to gain full approval. Only one of the four companies received full approval. One of those companies asked for an extension of that date.

Issues of serious concern have been raised. Taxi depot fees will increase by $55 per month or more, which will mean that taxi fares will have to increase to cover this outdated technology. New technology such as digital video cameras is much cheaper, but that was not even considered.

I request the Minister for Transport to delay this process so that taxis are fitted with state-of-the-art surveillance equipment and the community can be assured taxidriver safety is genuinely addressed.

Electricity: supply

Hon. B. C. BOARDMAN (Chelsea) — I raise a matter for the Minister for Industrial Relations. The minister appeared on the 3AW drive program this afternoon and the presenter, Steve Price, asked her directly whether there was a threat to Melbourne's power supply. The minister responded, and I quote:

> Not in the foreseeable future.

Honourable members would not interpret that as a definitive statement because it is leaving the gate open for a potential threat to Melbourne's power supplies in the foreseeable future. Equally the minister's statement is in complete contradiction to statements made by the Minister for Energy and Resources on a number of occasions in this house in response to questions without notice asked by the Honourable Philip Davis. She has said that there is no threat to Victoria's power supplies. She has repeated that statement a number of times.

In contradiction of the Minister for Energy and Resources, the Minister for Industrial Relations is suggesting there may be a threat to Victoria's power supplies. The minister has an obligation to give her definition of 'foreseeable future'. Who is accurate: the Minister for Industrial Relations, who believes there may be a threat to Victoria's power supplies, or the Minister for Energy and Resources, who says there is no threat to Victoria's power supplies?

Yallourn Energy: dispute

Hon. I. J. COVER (Geelong) — I refer the Minister for Industrial Relations to a meeting she convened last Monday to resolve the Latrobe Valley industrial dispute. Given the significance of the issue, why did the minister walk out of the meeting after only half an hour, which was clearly not long enough to resolve the dispute?

Electricity: energy efficiency

Hon. K. M. SMITH (South Eastern) — I address my question to the Minister for Energy and Resources. In view of the minister's statement today regarding energy savings, is it correct that her government's policy on energy sustainability is to pray for cool weather to avoid the drain on power caused by airconditioners?

Responses

Hon. M. M. GOULD (Minister for Industrial Relations) — The Honourable Andrea Coote raised for the Minister for Health the matter of women with HIV/AIDS. I will raise the issue with the minister and ask him to respond in the usual manner.

The Honourable Peter Hall raised for the attention of the Premier concerns about the supply of diesel. I will raise that matter with the Premier and ask him to respond immediately.

The Honourable Ron Best raised for the attention of the Minister for Health an issue of concern to him. I have spoken to the honourable member and will make some information available to him, but I advise him that I will speak to the Minister for Health in the morning.

The Honourable Bill Forwood raised for my attention the response to question on notice 2334, which concerns occasions when the government has intervened at the Australian Industrial Relations Commission. Just as the honourable member was asking me about this issue I realised that I had advised the house that the government had taken the unusual step of intervening with Saizeriya. I apologise for that and will rectify it. I do not believe there are any other matters, but I will double-check on it.

The Honourable Carlo Furletti raised a matter with me in respect of the dispute between Yallourn Energy and the unions which is before the Australian Industrial Relations Commission. I have made it clear to the employers and the unions that the government will not take sides in this matter or intervene on behalf of the unions or the employers, as was requested by both the unions and the employers. That matter before the commission has been adjourned and other dates have been set down. I hope the commission might be able to come up with some earlier dates than those indicated.

The Honourable Chris Strong raised a matter with respect to the Yallourn Energy issue, particularly about comments I made that the previous government had abolished the state industrial relations system and we have had no alternative system in the state. Honourable members would be aware that the government attempted to pass the Fair Employment Bill, which would have given it the opportunity to call parties in for discussions.

Honourable members interjecting.

Hon. M. M. GOULD — If the opposition had agreed to pass the Fair Employment Bill there would have been an alternative system to work under. Unfortunately all we have is a conflict-based federal Workplace Relations Act, which covers all Victorians.

The Honourable Cameron Boardman raised a matter about comments I made about the advice the government has received on the electricity supply forecasts, which indicate there is no problem with that supply. The government has no problem with the forecasts that were made available to it.

The Honourable Ian Cover raised a matter about the time I had spent at a meeting. If he had been listening properly he would also have heard that I corrected the time I spent there and that I had made it known to the parties concerned that I was in my office if they wished to discuss the matter further with me.

Hon. C. C. BROAD (Minister for Energy and Resources) — The Honourable Roger Hallam again raised the matter of the output initiatives for the Department of Natural Resources and Environment reported on page 259 of the 2001–02 budget papers in budget paper 2, including the amounts for restoration of environmental flows to the Snowy River, and including the in-principle Treasurer's advance of $40 million in 2000–01 first published in the 2000–01 budget update.

I appreciate that Mr Hallam and the Treasurer have different opinions about what should be published in the budget papers about actual expenditures as opposed to budget allocations, including the Treasurer's advance. I am sure that is a debate that Mr Hallam can continue to have with the Treasurer, but the fact is that actual expenditures are not reported in the budget papers, and I do not expect that situation to change.

The Honourable John Ross requested the Minister for Transport to evaluate a section of Beach Road for safety, and I will refer that request to the minister.

The Honourable Jeanette Powell requested the Minister for Transport to examine the matter of V/Line promotions to certain private operators, and I will refer that request to the minister.

The Honourable Bill Baxter requested the Minister for Environment and Conservation to review the decommissioning of Caseys Weir, and I will refer that request to the minister.

The Honourable Mark Birrell requested the Minister for Transport to provide advice on when full operation of the City Circle tram service will be returned, and I will refer that request to the minister.

The Honourable Neil Lucas requested the Minister for Transport to examine a number of matters in relation to fast train proposals, and I will refer that request to the minister.

The Honourable Geoff Craige requested the Minister for Transport to ensure certain matters concerning safety of taxi drivers are addressed, and I will refer that request to the minister.

In response to the Honourable Ken Smith, praying is not part of my approach to energy policy. I do not expect that that will be necessary in order to address energy policy matters.

Hon. M. R. THOMSON (Minister for Small Business) — The Honourable Peter Katsambanis raised an issue in relation to Internet Registrations Australia. He had concerns about whether or not it was operating as a scam with regard to the registration of domain names. The honourable member will provide details to me, and I will investigate the matter.

The Honourable Gordon Rich-Phillips raised the matter of scalping, and I stand by the answer I gave in question time today.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — In relation to the question asked by the Honourable Wendy Smith about board and staffing positions within the major projects portfolio, I will refer

the matter to the Minister for Major Projects and Tourism in the other place.

Motion agreed to.

House adjourned 11.00 p.m.