

PARLIAM^{ENT} PARLIAMENT OF VICTORIA

**PARLIAM^{ENTARY} DEBATES
(HANSARD)**

**LEGISLATIVE ASSEMBLY
FIFTY-FOURTH PARLIAM^{ENT}
FIRST SESSION**

**26 May 2000
(extract from Book 8)**

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By authority of the Victorian Government Printer

The Governor

His Excellency the Honourable Sir JAMES AUGUSTINE GOBBO, AC

The Lieutenant-Governor

Professor ADRIENNE E. CLARKE, AO

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Minister for Transport	The Hon. P. Batchelor, MP
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Minister for Gaming, Minister for Major Projects and Tourism and Minister assisting the Premier on Multicultural Affairs.	The Hon. J. Pandazopoulos, MP
Minister for Housing, Minister for Aged Care and Minister assisting the Minister for Health	The Hon. B. J. Pike, MP
Minister for Small Business and Minister for Consumer Affairs.	The Hon. M. R. Thomson, MLC
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Standing Orders Committee — Mr Speaker, Mr Jasper, Mr Langdon, Mr Lenders, Mr McArthur, Mrs Maddigan and Mr Perton.

Joint Committees

Drugs and Crime Prevention Committee — (*Council*): The Honourables B. C. Boardman and S. M. Nguyen.
(*Assembly*): Mr Jasper, Mr Lupton, Mr Mildenhall, Mr Wells and Mr Wynne.

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(*Assembly*): Mr Delahunty, Ms Duncan, Mr Ingram, Ms Lindell, Mr Mulder and Mr Seitz.

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

House Committee — (*Council*): The Honourables the President (*ex officio*), G. B. Ashman, R. A. Best, J. M. McQuilten, Jenny Mikakos and R. F. Smith. (*Assembly*): Mr Speaker (*ex officio*), Ms Beattie, Mr Kilgour, Mr Leighton, Ms McCall, Mr Rowe and Mr Savage.

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(*Assembly*): Mr Speaker, Ms Gillett, Mr Nardella and Mr Richardson.

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Road Safety Committee — (*Council*): The Honourables Andrew Brideson and E. C. Carbines.
(*Assembly*): Mr Kilgour, Mr Langdon, Mr Plowman, Mr Spry and Mr Trezise.

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Council — Clerk of the Legislative Council: Mr W. R. Tunnecliffe

Hansard — Chief Reporter: Ms C. J. Williams

Library — Librarian: Mr B. J. Davidson

Parliamentary Services — Secretary: Ms C. M. Haydon

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FIFTY-FOURTH PARLIAMENT — FIRST SESSION

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

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

Leader of the Parliamentary Labor Party and Premier:

The Hon. S. P. BRACKS

Deputy Leader of the Parliamentary Labor Party and Deputy Premier:

The Hon. J. W. THWAITES

Leader of the Parliamentary Liberal Party and Leader of the Opposition:

The Hon. D. V. NAPHTHINE

Deputy Leader of the Parliamentary Liberal Party and Deputy Leader of the Opposition:

The Hon. LOUISE ASHER

Leader of the Parliamentary National Party:

Mr P. J. RYAN

Deputy Leader of the Parliamentary National Party:

Mr B. E. H. STEGGALL

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Allen, Ms Denise Margret ⁴	Benalla	ALP	Lenders, Mr John Johannes Joseph	Dandenong North	ALP
Andrianopoulos, Mr Alex	Mill Park	ALP	Lim, Mr Hong Muy	Clayton	ALP
Asher, Ms Louise	Brighton	LP	Lindell, Ms Jennifer Margaret	Carrum	ALP
Ashley, Mr Gordon Wetzel	Bayswater	LP	Loney, Mr Peter James	Geelong North	ALP
Baillieu, Mr Edward Norman	Hawthorn	LP	Lupton, Mr Hurtle Reginald, OAM, JP	Knox	LP
Barker, Ms Ann Patricia	Oakleigh	ALP	McArthur, Mr Stephen James	Monbulk	LP
Batchelor, Mr Peter	Thomastown	ALP	McCall, Ms Andrea Lea	Frankston	LP
Beattie, Ms Elizabeth Jean	Tullamarine	ALP	McIntosh, Mr Andrew John	Kew	LP
Bracks, Mr Stephen Phillip	Williamstown	ALP	Maclellan, Mr Robert Roy Cameron	Pakenham	LP
Brumby, Mr John Mansfield	Broadmeadows	ALP	McNamara, Mr Patrick John ³	Benalla	NP
Burke, Ms Leonie Therese	Prahran	LP	Maddigan, Mrs Judith Marilyn	Essendon	ALP
Cameron, Mr Robert Graham	Bendigo West	ALP	Maughan, Mr Noel John	Rodney	NP
Campbell, Ms Christine Mary	Pascoe Vale	ALP	Maxfield, Mr Ian John	Narracan	ALP
Carli, Mr Carlo	Coburg	ALP	Mildenhall, Mr Bruce Allan	Footscray	ALP
Clark, Mr Robert William	Box Hill	LP	Mulder, Mr Terence Wynn	Polwarth	LP
Cooper, Mr Robert Fitzgerald	Mornington	LP	Napthine, Dr Denis Vincent	Portland	LP
Davies, Ms Susan Margaret	Gippsland West	Ind	Nardella, Mr Donato Antonio	Melton	ALP
Dean, Dr Robert Logan	Berwick	LP	Overington, Ms Karen Marie	Ballarat West	ALP
Delahunty, Mr Hugh Francis	Wimmera	NP	Pandazopoulos, Mr John	Dandenong	ALP
Delahunty, Ms Mary Elizabeth	Northcote	ALP	Paterson, Mr Alister Irvine	South Barwon	LP
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Haermeyer, Mr André	Yan Yean	ALP	Rowe, Mr Gary James	Cranbourne	LP
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Hardman, Mr Benedict Paul	Seymour	ALP	Savage, Mr Russell Irwin	Mildura	Ind
Helper, Mr Jochen	Ripon	ALP	Seitz, Mr George	Keilor	ALP
Holding, Mr Timothy James	Springvale	ALP	Shardey, Mrs Helen Jean	Caulfield	LP
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Howard, Mr Geoffrey Kemp	Ballarat East	ALP	Spry, Mr Garry Howard	Bellarine	LP
Hulls, Mr Rob Justin	Niddrie	ALP	Steggall, Mr Barry Edward Hector	Swan Hill	NP
Ingram, Mr Craig	Gippsland East	Ind	Stensholt, Mr Robert Einar ²	Burwood	ALP
Jasper, Mr Kenneth Stephen	Murray Valley	NP	Thompson, Mr Murray Hamilton	Sandringham	LP
Kennett, Mr Jeffrey Gibb ¹	Burwood	LP	Thwaites, Mr Johnstone William	Albert Park	ALP
Kilgour, Mr Donald	Shepparton	NP	Treize, Mr Ian Douglas	Geelong	ALP
Kosky, Ms Lynne Janice	Altona	ALP	Viney, Mr Matthew Shaw	Frankston East	ALP
Kotsiras, Mr Nicholas	Bulleen	LP	Vogels, Mr John Adrian	Warrnambool	LP
Langdon, Mr Craig Anthony Cuffe	Ivanhoe	ALP	Wells, Mr Kimberley Arthur	Wantima	LP
Languiller, Mr Telmo	Sunshine	ALP	Wilson, Mr Ronald Charles	Bennettswood	LP
Leigh, Mr Geoffrey Graeme	Mordialloc	LP	Wynne, Mr Richard William	Richmond	ALP

¹ Resigned 3 November 1999

² Elected 11 December 1999

³ Resigned 12 April 2000

⁴ Elected 13 May 2000

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Friday, 26 May 2000

The **SPEAKER (Hon. Alex Andrianopoulos)** took the chair at 9.35 a.m. and read the prayer.

PAPER

Laid on table by Clerk:

Mt Stirling Alpine Resort Management Board — Report for the year ending 31 October 1999.

ABORIGINAL RECONCILIATION

Mr BRACKS (Premier) — *By leave, I move:*

That:

1. So much of sessional orders be suspended as to allow the house at its rising on Tuesday, 30 May 2000, to adjourn until 10.00 a.m. on Wednesday, 31 May 2000.
2. This house invites elders and members of the indigenous communities of Victoria and representatives from the Council for Aboriginal Reconciliation to attend on the floor of the house on Wednesday, 31 May 2000, at 10.00 a.m. when the Speaker takes the Chair, to address the house on the subject of Aboriginal reconciliation and to remain on the floor, save in the event of a division, until the sitting is suspended for the lunch break prior to 1.00 p.m.
3. So much of standing orders, sessional orders and the practice of the house be then suspended as to allow:
 - a. elders to give a traditional Aboriginal welcome in lieu of the Speaker reading the Lord's Prayer;
 - b. elders and members of the indigenous communities of Victoria and representatives from the Council for Aboriginal Reconciliation (not exceeding seven in total) to attend on the floor of the house to address the house on the subject of Aboriginal reconciliation, to make presentations to the Speaker and the Premier and to receive responses of thanks;
 - c. the Premier and the Leader of the Opposition to each give a response of thanks;
 - d. after such addresses and responses of thanks a debate shall take place on a motion which may be moved by the Premier;
 - e. the Speaker to put the question at 12.45 p.m. or sooner if there be no further debate and the time limits for the speech of the mover and the Leader of the Opposition or his nominee shall be 15 minutes and, for all other speakers, 10 minutes. No amendment to the motion to be accepted by the Speaker;
 - f. at the conclusion of the debate the house shall proceed, in accordance with sessional orders, with oral questions (at the set time provided by sessional

orders), formal business, statements by members, grievances and government business as set down on the notice paper.

Motion agreed to.

Mr BRACKS (Premier) — *By leave, I move:*

That:

1. The Legislative Assembly invites members of the Legislative Council to attend in the Legislative Assembly chamber on Wednesday, 31 May 2000, at 10.00 a.m. when the Speaker takes the Chair to:
 - a. hear elders of the indigenous communities of Victoria give a traditional Aboriginal welcome;
 - b. hear elders and members of such communities and representatives from the Council for Aboriginal Reconciliation address the house on the subject of Aboriginal reconciliation;
 - c. observe presentations to the Speaker and the Premier; and
 - d. hear responses of thanks by the Premier and the Leader of the Opposition.
2. The lower public galleries be deemed to be part of the Legislative Assembly chamber for the duration of the addresses to provide additional accommodation for members of the Legislative Council.
3. The Speaker of the Legislative Assembly shall chair the addresses and the conduct of the proceedings shall be in accordance with the standing orders of the Legislative Assembly.

Motion agreed to.

Ordered that message be sent to Council acquainting them of resolution and inviting their attendance.

MEMBERS STATEMENTS

National Livestock Reporting Service

Mr RYAN (Leader of the National Party) — *I ask the government to confirm publicly its support for the National Livestock Reporting Service. That service has provided an invaluable facility for producers in country Victoria for some 23 years and is administered across Australia, including Victoria, by the New South Wales Meat Industry Authority.*

The service costs about \$272 000, of which \$155 000 is contributed by the industry, \$110 000 is contributed by the Victorian government and the remaining \$7000 by the New South Wales MIA. Four staff members are employed in Victoria. There are 15 market reports each week, with prices being reported for each pen of stock. Saleyards now pay about \$100 for the service, but they

would be forced to pay something in the order of \$250 prospectively if the government withdraws its support.

It has been demonstrated historically that apart from weather reports the reports provided by the National Livestock Reporting Service are regarded by producers as being the most influential and important service they receive.

I ask the government to confirm its support for the maintenance of that important service to country Victorians. The issue is critical to people involved with livestock.

The SPEAKER — Order! The honourable member for Gippsland South's time has expired.

Fijian Parliament

Mr ROBINSON (Mitcham) — Last week in Fiji, in a parliamentary chamber not unlike this one, democracy was crudely and abruptly terminated. In the days since then we have witnessed a bizarre, almost surreal, stand-off, but we should not forget for a minute that behind the charade democratically elected members of Parliament have been held as hostages.

Prime Minister Chaudhry and others have endured enormous stress and hardship. They were stripped of their liberty, but they have demonstrated great resolve in the face of adversity.

Despite all their empty rhetoric and demagoguery, George Speight and his cronies are common and undignified thugs whose only aspirations are of a tin-pot variety. George Speight is a deluded and dangerous individual who deserves nothing other than the condemnation of every Victorian.

At the core of the drama is blind, unadulterated racism. Despite the Indian Fijian government being elected with the support of many indigenous Fijians, individuals like George Speight believe they are, with the help of weapons, entitled to rob that nation of its entitlement to conduct its affairs in a civilised fashion on the basis of nothing more than alleged racial superiority.

It would be remiss of this house if we did not speak out against that atrocity on our doorstep. Accordingly, I am circulating today a petition to all honourable members as an invitation to record their outrage at the events of recent days and to indicate our enduring support for full and real parliamentary democracy in Fiji. I commend the petition to all honourable members and hope they join with me in signing it.

Multicultural affairs: office relocation

Mr KOTSIRAS (Bulleen) — I stand to condemn this Labor government for its double standards. The Premier claims his government is honest and accountable and will not waste taxpayers' money. The minister assisting the Premier on Multicultural Affairs claimed that the government is spending more money in multicultural affairs than the previous government. That is a farce and insulting to multicultural communities. Instead, government members have spent more money on themselves.

The Premier has confirmed that \$21 295 was spent to relocate the Victorian Multicultural Commission, the Victorian Office of Multicultural Affairs and the office of the parliamentary secretary from the third floor of 1 Macarthur Street to the third floor of 1 Treasury Place. The two floors are connected by a 7-metre footbridge. According to the article that appeared in the *Herald Sun*, the distance between the two floors is 25 metres — that is, approximately 80 footsteps. That means that every step the parliamentary secretary takes costs taxpayers \$266.

The Premier's reason for moving the staff 25 metres away at a cost of more than \$21 000 is to ensure that all the divisions of the Department of Premier and Cabinet are at 1 Treasury Place.

I ask the Premier also to explain whether a consultant was employed to advise the government on how to pack the boxes and where to take them, or was that advice given by the architects? It is a disgrace, and money should instead be spent — —

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

Rail: East Gippsland service

Mr INGRAM (Gippsland East) — On Saturday, 13 May, in beautiful East Gippsland weather the Save Our Train group, with help from the Practical Men of the Village, held a rally in support of the return of East Gippsland's passenger rail service. A huge crowd gathered at the rotunda in Bairnsdale's main street to show support.

More than 12 000 people have signed a petition for the return of the passenger rail service to Bairnsdale. That petition will be presented to the Minister for Transport in the near future.

It is interesting to note that the minister saw the last passenger train at the Bairnsdale station on the same

day that the Save Our Train group hijacked the train. I have written an invitation to the minister. I shall read it:

Craig Ingram, MP, state member for East Gippsland, on behalf of the residents of East Gippsland, requests the attendance of the Honourable Peter Batchelor, Minister for Transport, at the party for the return of the train to Bairnsdale.

The date for reply to the invitation is ASAP.

The rail line from Sale to Bairnsdale is currently carrying freight trains. The community would like to see the line upgraded to carry passenger trains, preferably to Sprinter standard. Tourism and economic development in our region depends on good public transport links. Young people studying in Melbourne and older people who have retired to our region need good public transport links.

I thank the hardworking members of the Save Our Train group for their seven-year campaign for the return of the passenger service to East Gippsland against the odds.

Winery Walkabout

Mr JASPER (Murray Valley) — I bring to the attention of the house the fact that the now famous Winery Walkabout will be conducted in Rutherglen and surrounding areas on the Queen's Birthday weekend from 10 to 12 June.

More than 20 wineries take part in the Winery Walkabout, which provides great wines, food and entertainment. The walkabout was originally the Wine Festival, which was started in 1967 by the then Rutherglen Apex Club. I was deeply involved. We put Rutherglen on the map. Rutherglen was promoted as a winery tourism destination. The festival was taken over by the Winery Walkabout in 1974 because Judge O'Driscoll said unless drinking in the main street of Rutherglen could be controlled the festival would have to change. So we moved the festival from the March weekend to the June weekend. It is now the most famous winery walkabout people can attend.

On the Sunday of the long weekend the Rutherglen country fair is conducted in the closed-off main street. I invite members of Parliament to join me in the celebrity grape tread at the fair. Unfortunately, the Minister for Sport and Recreation cannot come this year, but I invite other honourable members to come and join me in that challenge. It is a great weekend for people to tour wineries and other parts of the Rutherglen district. It is also a great opportunity for people to see all the wineries in north-eastern Victoria.

Fawkner Crematorium and Memorial Park

Ms CAMPBELL (Minister for Community Services) — I place on record the appreciation of Victorians, particularly the people in the electorate of Pascoe Vale, which includes the Fawkner Crematorium and Memorial Park, for the fact that the Bracks government will not be privatising cemeteries. Cemeteries are sacred sites that are not for sale under the Bracks government. That is in stark contrast to the Kennett government, which wanted to sell all public assets.

The Fawkner cemetery trust can be assured that under this government families can continue to visit their loved ones at the cemetery. I place on record my community's appreciation of the members of the trust and the staff of Fawkner Crematorium and Memorial Park. The park's annual report was tabled this week. I read with interest that the park is Australia's largest cemetery and performs approximately 5000 primary services each year.

It attracts around 2.4 million visitors each year, which is more than the Royal Melbourne Zoo, Sovereign Hill, Puffing Billy, and the Phillip Island penguin reserve combined. The annual report notes that the park's operation has declined over the previous year, and this is one body corporate whose business the community is pleased to note has dropped!

The report also notes that apart from some minor adjustments, fees have not changed since April 1997, and I congratulate the trust on its good management and the voters of Victoria for ensuring — —

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

Tourism Victoria: regional representation

Mrs FYFFE (Evelyn) — In the past eight months I have heard ministers exaggerate, distort, bend the facts and claim the previous government's strategies and initiatives as their own.

This week the Minister for Major Projects and Tourism accused me of not being a regional representative on the board of Tourism Victoria. That was his pathetic attempt to cover up the fact that he has missed a golden opportunity to ensure that country tourism has a strong voice on the board of Tourism Victoria.

When is he going to run his department? When will he come to grips with the facts of regional tourism? When will he stop letting the bureaucrats make the decisions?

When will he listen to what regional tourism has to tell him?

For the past 25 years I have been totally involved in regional and local wine and food tourism. My time on the board of Tourism Victoria was devoted to standing up for the small country operators and regional businesses.

The minister, through his sheer laziness and laissez-faire attitude, has let down the hardworking country operators in tourism. You are a shame and a disgrace, Minister, and you should listen to them. I am being telephoned every week by regional operators asking me what is wrong with this government. They say, 'Why isn't country Victoria represented on the board of Tourism Victoria?'.

Multicultural affairs: office relocation

Mr PANDAZOPOULOS (Minister assisting the Premier on Multicultural Affairs) — I condemn the opposition for its hypocrisy in attacking the relocation of the Multicultural Affairs Unit of the Department of Premier and Cabinet from Macarthur Street to Treasury Place. The opposition says it supports multiculturalism, but the reason for the government's relocation of the unit is that it has given a commitment to an expanded Victorian Multicultural Commission and to the creation of the Victorian Office of Multicultural Affairs, which have now been funded in the budget.

Allowing the Multicultural Affairs Unit to stay in its current location would, in effect, have meant remaining in cramped accommodation, probably requiring more expenditure than the current \$21 000 relocation cost.

It is important to understand that while the previous government paid lip-service to multiculturalism, the creation of the new Office of Multicultural Affairs, with more resources, more staff and a better resourced multicultural commission, also with more staff, is logical and will require expanded premises.

It is sheer hypocrisy for the opposition to condemn such a relocation. It is a businesslike relocation, it is appropriate and it is appreciated by the staff in the Victorian Multicultural Commission and the Office of Multicultural Affairs.

Wimmera–Mallee channel system

Mr DELAHUNTY (Wimmera) — I bring to the attention of the house a proposal for piping the remainder of the Wimmera–Mallee channel system. It has been developed by a committee representing all

municipalities and key interest groups in the western part of Victoria.

Now that the government has brought down its budget the committee wants to see some action. Covering some 2.5 million hectares, with 16 000 kilometres of channels, the Wimmera–Mallee supply system is one of the largest systems of its type in the world. It supplies once-a-year dam fills for farmers and town storages, and includes a small irrigation district.

The committee believes the Northern Mallee pipeline project has delivered major benefits to the region. This can be further built on if piping the rest of the system is considered feasible. The committee proposes that a detailed feasibility study be done to define the outcomes, benefits and implementation costs and issues of improving the southern two-thirds of the system.

The committee has spoken to the Minister for State and Regional Development, and I know it tried to meet with the Minister for Conservation and Environment about the possibility of getting \$125 000 to fund the study. The work done so far has shown environmental benefits. The community hears about the issues with the Snowy River, but the savings made through the Wimmera–Mallee piping project have improved the security of supply and provided water for environmental flows down the Wimmera River.

Junior Landcare awards

Ms ALLAN (Bendigo East) — Last week I visited two primary schools in my electorate — Holy Rosary Primary School and St Francis of the Fields Primary School — to present Junior Landcare cheques. Both schools have excellent Landcare programs run by Mr Peter Hoskin of Holy Rosary and Mr Paul Dullard of St Francis of the Fields. The schools have wonderful vegetable gardens, chickens, cows and lambs, which are the subject of excellent teaching programs for the children. I was warmly welcomed and given a pumpkin, which I made into pumpkin soup that night!

The SPEAKER — Order! The honourable member's time has expired, as has the time for statements by members.

DAIRY BILL

Second reading

Debate resumed from 4 May; motion of Mr HAMILTON (Minister for Agriculture).

Mr STEGGALL (Swan Hill) — The bill provides for the repeal of the marketing and control provisions of the Dairy Industry Act and the establishment of a new authority to control dairy food safety. It will essentially take over the food, safety and licensing responsibilities of the Victorian Dairy Industry Authority (VDIA). The bill will also repeal the remaining provisions of the Dairy Industry Act.

The main purposes of the bill are to remove the price and supply controls of milk, establish Dairy Food Safety Victoria (DFSV), provide a licensing system for the dairy industry, and enable codes of practice and food safety programs to be implemented in relation to dairy food. I welcome the bill, and note its long journey at both the federal and state levels since 1986, beginning with the federal Kerin plan, which implemented change for one of our biggest industries. With the exception of tourism, the dairy industry is the biggest industry in Victoria. The state produces some 60 per cent of Australian milk and supplies more than 80 per cent of Australian exports of dairy products.

The Victorian industry has 7960 dairy farm licences, although some may be across borders. It has 144 manufacturers, ranging from the giant Murray–Goulburn Cooperative down to on-farm cheesemakers, and 203 distributors throughout Victoria.

The farmgate revenue is in excess of \$1.4 billion a year; 31 000 people a year are employed on farms in regional Victoria; and 12 000 transport, processing and manufacturing workers are employed in the industry, mainly in regional Victoria. That makes the industry major and, therefore, the bill major.

The Kerin plan changes in 1986 probably saw the beginning of what became a great era of dairy industry production: the quality and volume of milk produced on Victoria's farms over that time has increased enormously. The research and development knowledge — both the basic research and a sharing of it among the industry networks — took off in that time.

Last week I had the honour to be present at the opening of the United Dairyfarmers of Victoria (UDV) conference. Dairy farmers are part of a family throughout Australia. Having been a farmer in my early days, I appreciate that people who milk cows every morning and night need to stick together because they deserve all the benefit they can get for their work and effort.

In April last year Pat Rowley, the chairman of the Australian Dairy Industry Council, approached the federal government with the concept of a restructure

package that would be a key driver of change. It would take the industry from a preoccupation with high-quality production into the marketplace, which was then highly differentiated, highly competitive and global in character. The package signals the entry into the market era for the dairy industry — an important part of the change.

The bill is a significant piece of legislation. Every primary industry could take note of the way in which profound changes have been made to the industry through its working with federal and state governments. I particularly acknowledge the work of Pat Rowley and Max Fehring, the president of the UDV, and compliment them on their courage and leadership in bringing about the changes.

Honourable members who have had a lot to do with changes in society over the past seven years will understand and acknowledge the difficulties borne by leaders who take on, introduce and drive change in an industry, particularly one like the dairy industry. I take my hat off to Max Fehring, his UDV general council and Victorian dairy farmers for staying for the journey and ensuring that the dairy industry will enter a new era of global marketing in the best shape possible. It has not been an easy trip for anyone. Much debate and discussion took place all over Australia, particularly in Victoria, because no matter what happened in other states, Victoria held the key to the future of the dairy industry.

Lately much has been said about the decline of country Victoria. The dairy industry provides a model for all its agricultural industries and exemplifies how our standards of living and quality of life may be improved. The house is dominated by Melbourne people who hear throwaway lines that have caught on in the past few years. Members of Parliament regard the provision of more government operations and services as the way to help country Victoria, which needs its fair share of government services and welfare benefits, but the true way to reform and develop country Victoria is through major primary industries.

Dairying is Victoria's biggest industry, and I welcome the fact that it can now grasp the nettle and meet the international marketplace with its full strength in Asia. Australia and New Zealand are regarded throughout as a single business entity, although that is not the case. Australia and New Zealand can be proud that they supply 50 per cent of the world's traded dairy products. It is important that quality and standards be maintained and that the dairy industry can face the challenges.

When I speak of challenges being faced at the moment I immediately think of the difficulties facing one of Victoria's major cooperatives, Bonlac Foods. It has faced recent challenges and more will surface. I ask honourable members to understand, please, that an industry that only protects itself and does not meet its challenges will lose. Australia's wool industry is a good example because it did not meet the challenges, reality and desires of global markets. Australia lost what was, in the 1960s, its biggest industry.

I now deal with some of the changes introduced by the legislation. Country residents regard as novel a consumer-funded reform coming into place. The reforms introduced by the bill have been negotiated and introduced by Australia's dairy industry, working in conjunction with the federal government and all states.

The dairy industry has reacted to commercial pressures and the inevitability that the dairy processes, markets and industry protections that have been in place for years were not going to last. I come from a border town in this great state and I can assure honourable members that the effects of the holding provisions of section 92 of the constitution as they applied to the dairy industry were about to collapse.

Mr Hamilton — It was very difficult.

Mr STEGGALL — Very difficult. People get some understanding of how tenuous were the protective regulations of the states when you tell them that Victorian dairy farmers were not allowed, by law, to sell milk across the border from Swan Hill. Victoria's geographical location in Australia makes its dairy industry a major producer of milk in the country, yet its dairy farmers have been unable to sell or trade freely across its borders with neighbouring states. That situation could not have been allowed to continue long into the new century.

The inevitability was accepted. The proposed changes would have been made, but the industry would have had a hard time had the changes been driven commercially. It was agreed that a soft landing was preferable.

Under the dairy structure program accepted by the federal government \$1.63 billion will be paid to dairy farmers throughout Australia over the next eight years to help them through the adjustment processes that the globalised market milk operation will bring. It will give communities the opportunity to make the necessary changes. From the program Western Australia will receive \$108 million; South Australia, \$127 million; Tasmania, \$76 million; Queensland, \$220 million; New

South Wales, \$337 million; and Victoria — the largest allocation, by far — \$763 million, as it reorganises the dairy industry.

The main element of the Dairy Industry Adjustment Bill that passed through federal Parliament is its provision of some \$1.63 billion to dairy farmers under the Dairy Structural Adjustment Program to help farmers meet the challenges of a deregulated milk market from 1 July 2000. The second part of the commonwealth package is the Dairy Exit Program, which will assist those farmers who believe they would be unlikely to be viable in the new market situation and decide to leave the industry. The commonwealth has also introduced a \$45 million package to assist dairy communities throughout Australia. I know the Minister for Agriculture has in mind to add to that from the state coffers.

I will provide some background for the benefit of honourable members. The Victorian dairy industry comprises three regions: the northern region, which incorporates the irrigation district areas; the western region, which is one of the fastest growing dairy areas in the state; and Gippsland, including the lovely South Gippsland area. All those areas produce high quality milk and, because of their geographic and climatic conditions, they meld together beautifully to form a magnificent industry in Victoria. From the consumer-funded restructuring program northern Victoria will receive \$305 million, western Victoria will receive \$234 million, and Gippsland will receive \$224 million, which will bring much-needed stability to the industry.

The program will be paid for by a levy of 11 cents a litre on all Australian liquid milk products and all imported liquid milk products — namely, whole milk products, modified milk, UHT, which has recently created problems because of its part-manufacture process, and Australian flavoured milk. The system will commence on 8 July and will run for eight years. It will provide country Australia, particularly country Victoria, with an opportunity to develop, improve and grow.

I believe in the next two years we will see a virtually new dairy industry. That can already be seen in northern Victoria, with people looking at more on-farm value-adding products such as cheeses, yoghurts and some liquid milk beverages; and it will continue to develop. Technology currently exists — it has been in place in Israel for at least four years — for an integrated system whereby milk comes from the cow and moves through to the final product within the on-farm dairy shed, and that will grow. A lot more choice and opportunities will be available.

Interestingly, the Australia New Zealand Food Authority has for the first time allowed into Australia a range of cheeses made from non-pasteurised milk. I was amazed to see that change. If that trend is followed through to Australian products, it will give its cheese industry a huge new range of cheese varieties.

The commonwealth has established the Dairy Adjustment Authority, which is comprised of five members, one of whom is a Victorian, Terry O'Callaghan, a former executive director of the United Dairyfarmers of Victoria. He is certainly capable of ensuring that the interests of the dairy industry and all dairy farmers are achieved. The commonwealth is accepting the responsibility for dairy farmer registration, calculating and allocating milk volumes, paying all moneys, and dealing with any appeals. That process for registration is now in place and will continue until about July. Then an appeal process will be in place for anyone who is concerned with or is disputing the volumes that are coming through. That process is provided for under the commonwealth act. The government is lucky that Victoria does not have that task.

Farmers now need to get advice about registration and payments and show that that advice has been received from qualified financial advisers. There will be no test on the quality of the advice, only on whether it was given. I applaud that measure, because one of the problems in the country with agricultural industries is the lack of access to advice. I believe the government has a role to play in assisting with that advice, not only for the dairy industry but also for a whole range of agricultural developments. They are the exporters for the state, and because the world is changing so vibrantly they need as much advice as they can get.

It is an interesting test. Many people frowned upon it and said, 'My goodness, I have to go and get advice'. It is true that the federal government is saying that advice must be sought from a financial adviser and that people must sign to indicate that they have received it, but no test will be given on the quality of the advice. I applaud the fact that governments are now starting — and I hope the Victorian government —

Mr Hamilton interjected.

Mr STEGGALL — I guess it has started on Target 10, but a whole range of agricultural industries need advice, not only on the production side but also on the business structural side, the succession side, and for international marketing and quality assessment programs.

The payments will be made for eight years. I believe the dairy industry is arranging for up-front payments to be made on a discounted base. But that is something between the industry and the members and is not the concern of regulators.

The proposed legislation will make some changes to food safety. It will introduce the Dairy Food Safety Victoria operation which will replace parts of the work of the Victorian Dairy Industry Authority. The biggest issue concerning the international world of food, of which we are very much a part, is food safety. Food safety should not be taken lightly. Victoria has a challenge to ensure that its food is of a safe quality and that people have confidence in it.

Some interesting things have happened throughout the world with food safety — the English experience with bovine spongiform encephalopathy, or BSE, is one of them. The BSE outbreak in Britain was pretty shocking and people were very concerned. Consumers put up their hands and said, 'Please, Mr Government, who is looking after our interests in food safety?'. The person who put up his hand in reply was the agriculture minister. Consumers then said, 'Hang on, the agriculture minister is in charge of the production of food, not of safety. Why are you as the regulator not looking after consumer interest in health?'

The impact of that was the bizarre situation where Britain literally lost confidence in its regulators, and confidence in consumer regulation and food safety went out the door. Prime Minister Blair was forced to introduce something he should have introduced from day one — that is, the food standards agency, which is similar to the Australia New Zealand Food Authority as it is a statutory authority answerable to ministers for health and not agriculture.

The authority is now working its way through the processes in Britain in an endeavour to win back that lost confidence. The Australia New Zealand Food Authority, of which each state is a part, is the appropriate body in Australia. No state needs to recreate a separate authority because a national authority handles food standards and quality. ANZFA sets the food standards code. Together with the states it is writing the draft food bill which, when finalised, will be presented to the states and territories with an invitation to enact the law in a uniform manner. That is encapsulated in the draft intergovernmental agreement that has been in place for some time.

However, since the change of government in September last year the Victorian government has adopted a different attitude towards that draft food bill.

While the former government was looking at uniform adoption of the bill it appears that Victoria is arguing for a non-uniform approach to loosen up, if you like, the differences between the states on uniform food.

I ask the Minister for Agriculture whether he and the Minister for Health might consider taking up that point. The negotiations are being carried out by the Department of Premier and Cabinet on behalf of the government, and having been involved in this area of legislation and negotiations in the former government I am concerned that Victoria is slipping away from what it is trying to achieve — that is, a uniform food law for Australia to enable Australian industries to operate more simply. I believe the uniformity the states are seeking is being weakened by the approach of the Victorian government.

I am also aware that very few people in the government have had exposure to food safety, apart from their efforts on food venues. It is a problem in the Department of Human Services because most health ministers are more tied up with things such as hospitals and doctors. However, the food safety area is vital and the government must ensure that it is right.

Mr Hamilton interjected.

Mr STEGGALL — The minister says the government has a commitment to the national program, and he is right. However, I am concerned with the degree of uniformity that Victoria will adopt in that process. I understand that Victoria is arguing to loosen that uniform approach, and I know the Minister for Agriculture would share with me — his view would be different from that of the Department of Premier and Cabinet — the dream of achieving that uniformity. I look forward to the minister's intervention with the Premier and the Minister for Health to make that happen.

The Australian dairy industry has a good health record. The industry's food safety and inspection areas are well developed and operate well. I turn now to Australia's dairy products exports. Most consuming countries require a set of standards by which they may have confidence in the safety of the food and in some cases aspects of food quality, product differentiation and labelling. To gain that confidence they ask government agencies to act as their quality assurance process testers and they will not purchase that product unless it has been ticked off and complies with a set of standards agreed to by a government authority.

That government authority in Australia is the Australian Quarantine and Inspection Service which has the role of

testing and certifying Australian dairy products that go overseas. It is linked in the legislation before the house through the Dairy Food Safety Authority which will, I am sure, carry on the work of the Victorian Dairy Industry Authority by contracting to carry out on behalf of AQIS those safety tests and inspections.

The Dairy Food Safety Authority established in the legislation is also linked to Food Safety Victoria because it must produce and deliver to the standards and quality required by Food Safety Victoria. Food Safety Victoria is, if you like, the Victorian agent of ANZFA. With that system in place we attempt to and assume we are going to achieve consumer confidence not only in Australia but worldwide. Up until now we have succeeded well.

I turn now to the inspection certification process. Australia has a long history of compliance with the requirements of countries importing its meat and non-meat processed food products. The Australian approach to inspection is focused on food safety and truth in labelling. The system is backed by firm government controls of the construction and hygiene in processing and storage premises, good manufacturing practice, food standards and product certification. AQIS is responsible for inspection and certification of Australian export food products, which is carried out through export control orders, regulations and the export control processed food orders. The orders covering the export control of dairy and other processed food products refer in some instances to the food standards code and amendments of ANZFA — that is, the standard applicable to food products sold on the Australian domestic market. The one thing that I believe has been extremely good is that Australia has not developed both an export standard and a domestic standard but has adopted the export standard as its domestic standard which has allowed close cooperation.

I refer briefly to the inspection systems. The Australian dairy industry is highly regulated by government agencies. The current system involves close attention by dairy farmers, dairy factories, state and territory industry authorities, state departments of agriculture, the Australian New Zealand Food Authority, state and territory health authorities, the commonwealth Department of Agriculture, Fisheries and Forestry, the Australian Quarantine and Inspection Service and the National Residue Survey. We run through all these hurdles to get a world-class industry on to the markets with the confidence of people who purchase our products.

It should also be noted that industry contributes greatly to the achievement of high standards on the farms. Payment for milk is based on its quality and each dairy processing company has field officers who supplement the official supervisory activities of the authorities. All export registered dairy establishments are required to and have implemented hazard analysis critical control point (HACCP) programs and a high proportion of the establishments are also ISO 9002 accredited. Furthermore, HACCP programs are also being implemented on farms. Those programs are basic to the international food standards being developed worldwide.

In order to remove the duplication of inspection and auditing services between AQIS and state dairy authorities, AQIS has introduced contestability into those services. When accredited by AQIS state dairy authorities may conduct inspections and audits of export dairy establishments on behalf of AQIS. Those audits cover requirements of the Export Control (Processed Food) Orders. AQIS remains ultimately responsible for managing the export inspection and certification system in accordance with the requirements of importing countries.

That aspect is important because in the dairy industry the importing countries have heavy requirements and that is the way Australia is set up to do it. When we start interfering with that we must ensure everything is right. Victoria has the most to lose if we fail.

The arrangements between AQIS and the export industry have been improved. AQIS has the role of auditor of the quality assurance programs of dairy companies. I know there is considerable discussion among dairy farmers about the issue of safety. The issue must be properly understood because appropriate food safety is the right of entry into world food markets. Safety is not negotiable. It is the most significant world issue and must be addressed whether Australia likes it or not.

The issue has been addressed in Australia generally and in Victoria in particular. Victoria has developed more sophisticated on-farm quality assurance programs — that is, they are simpler and more understandable — and farmers are becoming more knowledgeable about them. The factories audit the programs and meet the costs of doing so. The quality assurance programs of the manufacturing and processing factories are audited by AQIS to ensure they come up to the standards required by various countries. AQIS is responsible for tests that were recently been carried out by the Victorian Dairy Industry Authority under contract to AQIS. That program will be continued by Dairy Food

Safety Victoria, the body that will be established by the legislation.

Appropriate testing procedures will mean that all dairy products are of the same standard and of the quality required for the international and domestic markets. Food safety programs for products for domestic sale are supervised by the environmental health officers of health departments throughout Australia. Those quality assurance programs are required to ensure confidence among purchasers of products domestically.

As I said earlier, Dairy Food Safety Victoria will have responsibility for audit operations. The minister may correct me if I am wrong, but I believe it will operate a fee-for-service program for companies and manufacturing groups. Dairy farmers are concerned about the fee-for-service system and want an assurance that the operation will bring in sufficient revenue to meet the total costs of its staff of 1 manager and 17 auditors so they are not a burden on dairy farmers. The legislation establishes a board for Dairy Food Safety Victoria and provides for its administration costs to be met by the licence fees.

What will the dairy industry do with the authority? I have said to the industry before and I say now to the minister that they must make sure the authority's responsibility is solely for food safety and that it does not accept other jobs, because the authority will accept other jobs if it is given the chance and will build an empire. Farmers fear that it may be given a blank cheque to develop other jobs and that food safety will become a secondary consideration. If the board's administrators concentrate on food safety issues there should be no concern because audit costs will be met by the fee-for-service program.

Although that is the way other industries operate, the dairy industry is different. Currently it has interesting arrangements in relation to the marketing of milk, the margins achieved, and the buying and selling of milk through the VDIA, and part of the audit costs have been passed on to consumers. Under the new arrangements that system will go and the fee-for-service system will ensure that any additional costs will be met by governments and the industry. I am concerned that authority board members may look for additional work for the authority. It will be a test for the minister and the industry to ensure that the board keeps its eye on the ball and sticks to food safety operations. I ask the minister to ensure that the board will be allowed to operate for some time before fees are set and the new arrangements are put in place. It is important to have the structures operating properly.

Whatever the arguments may be, food safety is a health issue. Consumers acknowledge that food safety is the responsibility of the Minister for Health and Dairy Food Safety Victoria will take over some of the responsibilities of the Food Safety Council. It is difficult to accept change and it will be a challenge for the people in the industry. I suggest that the chairman of Dairy Food Safety Victoria be given a position on the Food Safety Council so that there is some cross-fertilisation of ideas. In addition, a member of Food Safety Victoria should sit on the Dairy Food Safety Victoria board. There should be strong links between agriculture and health. If that is done the new organisation will maintain its focus and a stronger operation will result.

The culture of the industry is slowly changing. The industry is slowly beginning to better understand what is required of it and is gaining more credibility in domestic and overseas markets.

I refer honourable members to the memorandum of understanding between Food Safety Victoria and Victorian Dairy Industry Authority. I do not believe there is a need to revisit the wording because it was put in place only in March last year. It is important to have a seamless operation between the agriculture-controlled VDIA and the health-controlled Food Safety Victoria. The agreed principles are:

1. Commitment to a common outcome for the management of food safety incorporating:
 - a co-regulatory framework for industry and government;
 - a systematic approach to management of food safety;
 - food risks addressed through a documented preventative HACCP based program;
 - regulation that targets outcomes and is easily understood by industry; and
 - reduced administrative duplication between regulatory authorities.
2. The equivalency of our individual regulatory frameworks, systems and processes in achieving our common outcome include:
 - food safety programs and quality assurance programs;
 - auditor certification processes; and
 - measurement of performances.
3. Areas where we can support each other in achieving our common outcome include:
 - sharing of information and intelligence;
 - advocating the two regulatory authorities internally and externally; and

advocating the whole of the Victorian food industry including those sectors under the regulatory jurisdiction of the other signatory.

The Minister for Health has a great opportunity to continue and improve what the former government started in the area.

Clause 65 provides that an independent identity — that is, a company — will handle the sale of VDIA assets, and all that goes with that, and will allocate its funds. The minister has announced that the independent entity will be called the Geoff Gardiner Foundation. I congratulate the United Dairyfarmers of Victoria on putting forward the suggestion and the minister for accepting it. It is appropriate to name it after a person who put in an enormous amount of effort and time in the early days trying to convince dairy farmers of the right way to travel. The journey for the dairy industry has been a difficult one, and those who have led it should be congratulated and supported. Before his untimely death, Geoff Gardiner was one of those people.

The membership of the independent identity will include a chairman and a person from the farming sector, the post-farm sector — probably a processor, finance, and research and development. Its role will be to take control of the assets of the VDIA, whether that be in money or brands. Depending on where matters are when the company is established, it will either administer the proceeds of the sale or arrange the sale of VDIA brands such as Big M, Rev, Skinny Milk and Farm House Milk. The creation of those brands, particularly Big M, started the differentiation of milk products in Victoria and Australia. The interesting advertising campaign orchestrated by the late Mr Des Cooper, then of the VDIA, shocked Australia but it made those involved realise there was more to the dairy industry than just milk and cows!

The value of the funds to be managed by the independent entity is unknown, but estimated to be between \$5 million and \$20 million. We will see how the organisation manages those funds for the benefit of the Victorian dairy industry and Victorian dairy communities.

As well as its research and development operation, the Geoff Gardiner Foundation will be given the task of gathering analysis, disseminating appropriate dairy industry information, and undertaking appropriate research, development and technology transfer. It will be responsible for education and training activities where benefits will accrue to the whole Victorian dairy industry as well as the individual and will manage the intellectual property generated from funding activities.

It will be responsible for the transitional activities associated with the winding up of the VDIA, including the management of any VDIA contracts transferred to the company.

In addition to those functions, the minister has indicated that he will allocate some \$3 million of VDIA's residual assets to be used over three years for the purpose of assisting dairy communities to adjust to the impact of deregulation on the dairy industry. He has had ongoing discussions with the industry on that issue.

I welcome in the chamber the presence of the Treasurer and Minister for State and Regional Development. He has the opportunity to take a strong position to really help those communities with commonwealth funds and state funds in his department. For example, Bonlac Foods has been forced to make changes and that organisation will have to make more changes. An opportunity exists through funding from the commonwealth and state governments, including from the minister's portfolio areas, to assist the highly skilled workforces in the small country towns where changes are taking place and will take place in the dairy industry, by attracting other industries to those towns. Because of the deregulation of the industry the opportunity is there for the government to assist and promote the advantages of highly skilled communities with good workforces.

For some time discussions have been held on how the dairy herd improvement program would fit into the new arrangement. The bill provides for those running that program to apply to the Geoff Gardiner Foundation for ongoing funding of research and development for the great work that has been done. It has been one of the great success stories in Victoria. It has assisted with genetic transfers, improvements in the genetics of dairy herds, herd recording and in other areas. The milk meter is now in a commercial phase, and other developments and improvements are occurring in dairy production.

Over the past few weeks discussions have taken place between the industry and government to try to ensure continuity of the organisation for some time because there is tension in the dairy industry about the operation of the dairy herd improvement program and that tension needs to be resolved — not by legislators but by the industry. It has been negotiated that the constitution of the Geoff Gardiner Foundation will include the following requirement:

The entity must fund projects that provide dairy herd improvement services directly to farmers up to a maximum of \$300 000 per year for the first two years of the operation of

the entity, subject to projects being endorsed by the Dairy Herd Improvement Fund management committee.

That will give the dairy herd improvement committee, the industry and the UDV the opportunity to work out the best way to continue that operation and maintain the advantages that have been gained as well as discussing the future of the organisation.

The bill gives the dairy industry time to adjust to change. The addition to clause 65, which has been agreed to, will, I am assured, be included in the minister's second-reading speech in the other place. It will give the dairy herd improvement industry the same opportunity to make the changes it needs to make. I trust that the dairy herd improvement industry will take that opportunity, and we will have a successful conclusion to the issue.

The bill refers to dairy licences. There is great fear that the fee for dairy licences will go up to fund a range of areas. If the industry holds Dairy Food Safety Victoria to food safety issues and does not give it any other functions, there is no reason for the licence system to be changed, although costs could go down.

An on-farm dairy licence is vital and must be maintained. The amount of money raised is a different issue. Ensuring food safety in agriculture and factories through the health department, the Australia–New Zealand Food Authority and the Australian Quarantine and Inspection Service will drive a strong and safe food and dairy industry. In three years time the government should re-examine the role of the new food safety authority to ensure it sticks to its knitting.

Mr Hamilton — In our next term of office!

Mr STEGGALL — I believe it should be done before that. The role of Dairy Food Safety Victoria, its seven board members and small staff must be an issue in the ongoing operation of food safety in Victoria. I hope the function of the independent entity will work closely with the industry to achieve the best outcomes. The future of dairy herd improvement in Australia and payments to owners and lessees, which is a federal issue about which we are pleased, is important. National competition policy payments to Victoria as a result of the legislation and its changes — in the vicinity of \$600 million to \$700 million over an eight-year period for Victoria — could be utilised from the surplus that was given to the Treasurer to kick off his career. He should use that surplus to assist and grow the agricultural base of country Victoria.

I wish the bill well. The opposition will work with the government and the industry to ensure that what is set

out to be achieved in the legislation is achieved, and that it will invigorate the dairy industry and deliver benefits to country Victoria. I commend the bill to the house.

Mr HOWARD (Ballarat East) — I am pleased to speak on the Dairy Bill but will not go into the details that have been outlined in the minister's second-reading speech. When the government was elected it inherited a national dairy deregulation policy that the former government had determined would go ahead. The government promised it would be a consultative government and would talk with producers to ensure their concerns were understood.

As part of that process a ballot was held throughout the state to enable producers to clearly demonstrate their support or lack of support for the proposed deregulation. The ballot showed that 89 per cent voted in favour. The government wanted a guarantee that federal government funding for the adjustment package would be made available to Victorian dairy farmers who would be affected by the changes. The government has worked assiduously to satisfy their concerns. Many opportunities will open up for those producers as a result. The legislation will enable the industry to expand its domestic and international markets.

The bill proposes to repeal the Dairy Industry Act and establish several new key bodies such as Dairy Food Safety Victoria — the authority — to replace the Victorian Dairy Industry Authority (VDIA). The new authority will be directed to ensure that the industry adopts best food health safety standards in line with national standards.

A number of issues have been raised that are consistent with the policies of the Department of Human Services and other areas of government and national bodies. Dairy Food Safety Victoria will have the opportunity to amalgamate with other agricultural food safety bodies if appropriate. The memorandum of understanding with the Department of Human Services will be maintained and reviewed as necessary in the future.

Concerns raised by the honourable member for Swan Hill will be allayed as Dairy Food Safety Victoria implements changes. The VDIA will transfer its assets to other bodies: \$1.8 million will go into a new authority to be called the Geoff Gardiner Dairy Foundation, and \$3 million will go into supporting dairy adjustment packages over the next three years. Concern has been expressed about the new authority, but the government is continuing to consult with the various bodies. One group with which the government has spoken is the National Herd Improvement

Association, which has expressed concern that there is no clear directive about how the Geoff Gardiner Dairy Foundation will act.

The government wishes to consult, as has been mentioned by the honourable member for Swan Hill, and is also prepared to talk with the opposition. The honourable member for Swan Hill said the opposition had made the decisions, but the government has consulted openly and made the final decision about how the new authority will operate. The new entity will receive up to \$300 000 a year over two years for dairy herd improvement services. It is expected it will improve research and development projects through the Dairy Herd Improvement Fund (DHIF).

Concerns have been recognised and sensibly and adequately dealt with by the government, showing that the government can respond and the industry can move forward into the 21st century. I am pleased to support the bill.

The other issue raised related to the establishment of Dairy Food Safety Victoria, known as the authority. The government must ensure that its fees are kept to a minimum and the money spent on food safety in the most cost-efficient way. That will be recognised in the establishment of the authority. The dairy industry will be pleased with the way the government has approached the proposal for deregulation, and I am pleased to support the bill.

Mr VOGELS (Warrnambool) — The Dairy Bill will completely change the dairy industry, and I would like to make a contribution to the debate. At the outset, I state that I have been a dairy farmer all my life and still operate a farm at Scotts Creek with my two sons. While I have a pecuniary interest in the legislation, parliamentary staff inform me this does not prevent me from contributing to the debate. However, I will not be in the house when the vote is taken.

Through my involvement in agropolitics and my membership of the United Dairyfarmers of Victoria since its inception more than 20 years ago, I realise how much work has gone into arriving at the point reached today. It would be remiss of me not to mention the hard work undertaken over the past years by the UDV to achieve a guarantee for Victorian dairy farmers to have access to a national adjustment package. No-one has worked harder than the UDV organisation president, Max Fehring, to achieve the package, and I am pleased to be able to put that statement on the record.

The dairy industry is the state's largest agricultural industry and largest food exporter. Over many decades

it has been built up through investment to the extent that Victorian dairy exports now total \$2 billion. The Victorian dairy industry is the state's largest decentralised industry, contributing over \$7 billion to the economy, and it is the state's largest export earner. It is a major industry across many regional centres, offering investment, employment on farms and, just as importantly, value adding once the product leaves the farm gate. The latest figures indicate that every dairy farmer indirectly employs another 14 people.

The bill proposes a package of reforms that will allow the industry to continue to grow and compete on world markets. It will result in orderly managed deregulation and, firstly, will allow Victorian dairy farmers, manufacturers and processors to compete on a single market; secondly, provide an additional \$740 million over eight years from the adjustment package; thirdly, establish a new dairy food safety authority — Dairy Food Safety Victoria — focusing solely on providing the service to maintain the industry's excellent reputation in food safety; and fourthly, establish a new entity to distribute the surplus funds after the Victorian Dairy Industry Association (VDIA) is wound up.

I shall comment on the four points I have just mentioned. Firstly, Victorian dairy farmers, who produce 63 per cent of Australia's milk — 6.5 billion litres from 8000 dairy farmers milking 1.4 million cows — will be given the opportunity to trade freely between states for the first time.

Victorian farmers are competitive, producing milk on farms at an average return of between 18 cents and 22 cents a litre — nowhere near enough. The cost of producing milk in New South Wales and Queensland is somewhere near 35 cents a litre. Deregulation will not reduce the size of the Victorian dairy industry, but it will make it more profitable.

Secondly, as stated in the second-reading speech, the adjustment package gives dairy farmers the opportunity to make meaningful decisions about their futures, improve their businesses, retire or create another business.

I have concerns about the make-up and cost of the new dairy food safety authority. It seems ludicrous to establish a board of seven to oversee a staff of fewer than 20; it cannot be cost effective.

At present food safety services are funded through a market milk levy. Under the bill the cost of food safety will come out of licence fees paid by farmers, processors and manufacturers — in other words, the dairy farmer. Farmers learnt years ago that

manufacturing and processing costs are automatically passed on to the farmer.

The industry has been handed a blank cheque, and there is no handbrake. Whatever the costs involved or the decisions made by the board, they will have to be paid for by dairy licences. The production of safe milk and other dairy products is paramount, and cost-efficient service provision is an important issue. The minister spelt out my concerns in his second-reading speech when he said that the removal of the market milk levy will mean an increase in licence fees.

Fourthly, the new entity will distribute the surplus funds after the VDIA is wound up. Most of the funds, as has already been said, will come from the sale of VDIA brands. The entity will have a board of five directors whose brief is to invest in industry development activities in order to maximise benefits to all sectors of the Victorian dairy industry. In addition to these functions, \$3 million of the VDIA surplus will be used over three years for the purpose of assisting dairy communities.

Apparently someone somewhere is writing a constitution to spell out where the dairy farmers' money can be spent. I have never seen the constitution and I do not believe anyone else has. I have grave concerns about the fund after seeing how the fate of the Dairy Herd Improvement Association depends on the whim of a few people who do not understand the dairy industry at all.

Let me give the house a quick run-down on the past couple of weeks. Following the second reading of the Dairy Bill it was obvious the Dairy Herd Improvement Fund would cease to exist. Once the message started to get around, dairy farmers began lobbying rural members of Parliament not to let this happen. The association started 26 years ago and has provided excellent value for money. According to the O'Callaghan report of 1998 the administration costs of the DHIF are less than 20 per cent of those of any other research organisation in agriculture.

Like many others I believe the DHIA should continue to be used to benefit Victorian dairy farmers and the herd improvement industry. It is also used for initiatives not funded from elsewhere and to create links with other funding partners. It undertakes projects for the specific benefit of Victoria and its dairy farmers. Most importantly, the DHIA has the support of 80 per cent of dairy farmers and all herd improvement centres except a breakaway group in northern Victoria.

This week, through the shadow Minister for Agriculture, the opposition has been negotiating with the Minister for Agriculture to come to an arrangement which would have funded the DHIA for another two years at the same level as in previous years. When I left Parliament on Wednesday night I was confident this had been achieved. However, on arriving yesterday morning I was astounded to learn the proposition had been nobbled. Instead of the funding being for two years under the same conditions, it had been halved. The organisation has been kneecapped. It is not possible to call tenders for research and development projects having a long lead time with half the finances that were formerly available.

It is obvious that the opposition's proposal did not have the support of the Independents or the UDV's central council, which was not listening to its membership on this occasion.

Although deregulation of market milk arrangements will present many changes to our dairy industry, the people involved are determined to ensure that it maintains its competitive advantage and it continues to grow and prosper. I commend the bill to the house.

Ms ALLAN (Bendigo East) — I am pleased to contribute to the Dairy Bill.

Mrs Fyffe interjected.

Ms ALLAN — On the contrary, my electorate covers an area of dairy farming, as the honourable members for Swan Hill and Rodney know because my electorate borders their electorates. However, it contains a smaller proportion than does the electorate of the honourable member for Rodney. In speaking on the bill I am doing my duty as a local member and as a country Labor representative in Parliament. I am pleased to speak on a bill with so many of my colleagues from country Victoria in the house. I note the bipartisan support for the bill, particularly from the National Party. As time moves on the National Party will agree more with the Labor Party than perhaps its own partners.

The northern part of my electorate, as referred to by the honourable member for Swan Hill, is a region of dairy production. I decided to speak on the bill partly because some of the proposals in the bill formed part of the policies the Bracks government took to the last election. The taking of a ballot of all Victorian dairy farmers over dairy deregulation was a policy position that the then Labor opposition took after listening to farmers and to people in country Victoria who were concerned about the impact of dairy deregulation.

On coming to government Labor decided to hold a ballot to restore agricultural democracy, as the Minister for Agriculture said. Country people wanted the ballot to help their progress down the path of dairy deregulation along with the rest of country Australia. I commend the Minister for Agriculture for holding the ballot which the failed former Leader of the National Party and former Minister for Agriculture and Resources refused. The ballot resulted in strong support from Victorian dairy farmers for deregulation of the dairy industry.

The bill will provide an extra \$740 million over eight years from the dairy industry adjustment package to help farmers and families affected by deregulation make important life decisions about their futures. I listened with interest to the honourable member for Warrnambool relating his experiences of his dairy farm. They are important contributions because these are important decisions. All honourable members know the face of country Victoria is changing. As the honourable member for Swan Hill said, the face of dairy farming is changing as are all agricultural industries. It is important that families are assisted along the way as their livelihoods are affected by those changes.

As many honourable members have already said, another important part of the bill provides for the establishment of a new dairy food safety authority, Dairy Food Safety Victoria, to take over the dairy food safety and licensing responsibility of the Victorian Dairy Industry Authority. Food safety is an important part of the legislation as it is a major component of the daily life of a dairy farmer and is thus consistent with the Victorian Food Act.

Honourable members interjecting.

Ms ALLAN — I note the mirth of my colleagues on the other side and I hope I have not offended them in their daily lives.

The new authority will consist of a seven-member skills-based board which will include representatives of farmers. Many dairy farmers involve themselves with exports. An important component of dairy farming is the need to export their product, whether interstate or overseas, and therefore they have to meet various Australian Quarantine and Inspection Service requirements.

Victorian milk has an excellent reputation through brands such as Big M — we all know the Big M ads — Rev and Skinny Milk. I can contribute more fulsomely to this part of the debate as I am at the consumption end of the chain rather than the production end. A major

milk producer, Pauls, is located in my electorate of Bendigo East. Pauls is a subsidiary of Parmalat, formerly known as Sandhurst Farms. The Minister for State and Regional Development will know Sandhurst Farms well from his time as the federal member for Bendigo. Bendigo people are proud of Pauls. It is a major employer in the town and has a fantastic brand name which is well recognised. One of its innovative products, which has been on the market for a while now, is Physical, a wonderful product in terms of healthy living and a healthy lifestyle.

The Premier also knows the factory well. He visited it twice while he was Leader of the Opposition and sampled the products that Pauls is developing for its local and interstate markets.

Marketing our milk is important to increase consumption, thus increasing the need for cows to be milked — as we heard from the honourable member for Swan Hill, morning and night — and increasing the growth of the dairy industry. A reliable and top-quality product is important in the dairy industry in terms of marketing and food safety, which is a concern of the new authority.

The functions of the authority are set out in proposed section 6(a) as establishing, maintaining and improving:

- (ii) the standards of construction and hygiene of plant and equipment in a dairy manufacturing premises;
- (iii) the standards of maintenance, cleanliness and hygiene of dairy transport vehicles.

Part of the jurisdiction of the new authority will be to monitor and review the standards specified in the act.

I am pleased to contribute to the debate. The proposals contained in the bill will continue the good reputation of Victorian milk as a great product. I confess it is much better than the powdered stuff, as I am sure honourable members would agree. It is a great industry for Victoria and country Victoria. I am pleased to support the bill.

Mr MAUGHAN (Rodney) — I am delighted to contribute to the debate on the Dairy Bill. It is significant legislation. As previous speakers have said, the dairy industry is an important industry nationally, and certainly for Victoria.

The bill proposes a number of things including the repeal of the Dairy Industry Act 1992; the establishment of a new authority, Dairy Food Safety Victoria; and importantly, the transfer of the assets and liabilities of the Victorian Dairy Industry Authority to Dairy Food Safety Victoria and other organisations.

Those assets belong to the dairy farmers of Victoria. I make the point loud and clear that any assets of the VDIA have been accumulated over time on behalf of the dairy farmers of Victoria and we expect those assets to be used for the benefit of Victorian dairy farmers.

The dairy industry has led all the major primary industries in adjusting to change — not just over recent years but over a long time, well over 20 years. The dairy industry, perhaps better than other primary industries, has acknowledged the realities of world trade, that it needs to be world competitive if it is to export a large amount of its produce. The dairy industry, on farm, in the factories and in its industry organisations, has adjusted well to change.

There have been enormous changes on the farm in productivity, with genetics, nutrition and irrigation techniques. Over a long time the dairy industry has increased productivity by 2.5 per cent to 3 per cent in a year, and in some years up to 5 per cent and 6 per cent, making it far more efficient and world competitive. The same has occurred in the factories. One has only to drive around the state or around my electorate of Rodney to see world-competitive factories. Murray Goulburn, Bonlac, Kraft and Nestlé all have factories in my electorate, as they do in other parts of the state. Those factories are all state of the art and world competitive. The restructuring of the industry is the third important part of increasing productivity.

The bill is a consequence of the federal legislation to deregulate the Australian dairy industry. This change started a long time ago with the Kerin plan, and the subsequent plans that followed from that, such as the Crean plan and its successors. Essentially all those plans had market support schemes and over time were winding down the support that was provided to the dairy industry so that it could be deregulated and be world competitive.

The current domestic market support arrangements finish on 30 June, hence the need for the bill which plays an important part in implementing the national compensation arrangements.

I pay tribute to the president of the Australian Dairy Farmers Federation, Pat Rowley, and the chairman of the United Dairyfarmers of Victoria, Max Fehring. Those two gentlemen have played a significant role in negotiating packages for dairy farmers both at a national level and within Victoria. Max Fehring and Paul Weller, the vice-chairman of the UDV — who are both constituents of mine — and the UDV have played a constructive role in negotiating a realistic national package taking account of the realities of the world

situation. The package will assist the dairy farmers of Victoria and has widespread support.

There are always people who do not agree with a proposal but think other schemes might be better, but the vast majority of dairy farmers nationally and in Victoria have expressed their widespread support for the package through the UDV and through the ballot conducted by the government.

The federal government's compensation package of \$1.8 billion is important because \$740 million of it will be injected into rural Victorian communities, for whom it will provide enormous benefit.

The dairy industry is important nationally. As other speakers have already indicated it is concentrated in Victoria and is becoming increasingly so because of the natural advantages of good dairying country in Gippsland, the western district, the north-east and our very important irrigation areas in northern Victoria.

Victoria produces more milk than all the other states combined. About two-thirds of Australia's milk is produced in Victoria, much of it in the northern irrigation areas which I represent.

Some 80 to 90 per cent of Australia's substantial dairy exports originate in Victoria so it is important to the economies of both Victoria and Australia. As the honourable member for Swan Hill pointed out in his contribution, the dairy industry in Victoria is second only to the tourism industry. I am fortunate that the two major industries of dairying and tourism are both important in my electorate.

Victoria has some 8000 dairy farmers producing 6 billion litres of milk. I can remember when the whole Australian dairy industry did not produce that much milk. The production at farm gate is valued at \$1.4 billion annually and manufactured exports from Victoria are valued at about \$2 billion annually.

The dairying industry is also important for jobs in Victoria. The UDV has estimated that about 30 000 jobs are directly associated with the dairy industry in rural and regional Victoria, with another 20 000 jobs associated with production and transport, making a total of 50 000 jobs across Victoria. As the honourable member for Warrnambool pointed out in his contribution, that has a flow-on effect, and although different people will give different estimates, in general terms for every \$1 generated on farm, another \$2 to \$3 are generated in other parts of the community. The dairy industry is worth about \$5 billion per annum to the Victorian economy, so by any stretch of the imagination it is a very important industry.

I should declare that I have a longstanding interest in the dairy industry. For 17 years my sole source of income was from dairy farming — that is, from milking cows — so I know what it is like to milk a cow. Sometimes I suffer withdrawal symptoms because it is a very satisfying lifestyle and I enjoyed my time in the industry.

At that time I was actively involved in producer organisations including the Victorian Dairy Farmers Federation, the predecessor of the UDV. In the late 60s and early 70s I was privileged to be a director of Australia's largest dairy cooperative, Murray Goulburn, at the exciting stage when it went through its massive expansion phase and linked up with other like-minded cooperatives in South Gippsland, Maffra and other parts of the state to build the current huge dairy farmer-owned cooperative. In passing I comment that Australia's two largest dairy farmer cooperatives, Bonlac and Murray Goulburn, are centred in Victoria because of the importance of the dairying industry here. Victoria provides security of production because of its reliable rainfall and, in the north of the state, its reliable supply of irrigation water.

People need to be constantly reminded that the dairy industry is concentrated on the southern side of the Murray River in Victoria because of the reliability of supply of irrigation water — New South Wales has not yet come to grips with achieving a secure supply of irrigation water. Victoria has made a massive investment in the production side of the industry in northern Victoria and sorting out its water industry over time has produced a tremendous flow-on effect to rural communities and Victoria generally.

I am passionately committed to the dairy industry because I have the honour to represent the electorate of Rodney which is arguably the most important dairying electorate not only in Victoria but the whole of Australia.

Mr Steggall interjected.

Mr MAUGHAN — I knew I would get a bite! Certainly dairying is the most important industry in my electorate.

An Honourable Member — What about the Otways?

Mr MAUGHAN — What about the Otways? I will tell you about the Otways and I will give you the figures, if you really want them. The reality is that there are some superb dairying areas in the Rodney electorate, including around Kyabram, Tongala, Rochester, Cohuna and Nathalia. Those areas have

about 3000 dairy farmers who have 300 000 cows with a value at farm gate of about \$300 million.

Figures in the parliamentary library show that the Rodney electorate is about one-third larger than any other, and given that Victoria is by far the most important dairying state I claim Rodney is the most important dairying electorate in the whole of Australia.

Mr Hamilton interjected.

Mr MAUGHAN — That is my claim and I will stick to it! It is the centre of the universe, as the minister at the table points out — and that is beyond dispute!

This legislation does a number of things. It establishes a single national milk market. The Victorian industry has been aiming for such a market for long time, because Victorian dairy farmers believe they can supply milk much cheaper than their competitors in other states to the lucrative markets in New South Wales, Queensland and elsewhere. The national legislation will achieve that aim. The bill flows on from that legislation and will facilitate the federal adjustment package that will inject \$740 million into the Victorian economy. For that reason alone it is an important piece of legislation.

The bill establishes a new dairy food safety authority to be known as Dairy Food Safety Victoria. The honourable member for Swan Hill pointed out the importance of the new authority.

An Honourable Member — It is comprehensive.

Mr MAUGHAN — That is exactly right, it is very comprehensive. The measure will achieve the objectives he spoke of by repealing the existing Dairy Industry Act and transferring the residual assets of the Victorian Dairy Industry Authority to the Victorian dairy industry. I will spend a short time addressing that matter, because the value of the assets of the VDIA depends on the value of the various VDIA milk brands — Big M, Rev, Skinny Milk and Farm House Milk — when they are sold. The estimates of what might be achieved for those brands vary widely and the value of the VDIA's assets could be anything from \$5 million, on perhaps the most pessimistic view, to \$25 million. Those assets should and will be transferred for the benefit of the dairying industry.

Dairy Food Safety Victoria will have a skills-based board. Given the costs involved I, too, query whether a board of seven is needed to administer a relatively small number of staff. I will be watching carefully to ensure that the board does not go to excess in administering an important but small part of the dairying industry.

I am delighted to be able to participate in the debate on this important piece of legislation. I congratulate the Minister for Agriculture for introducing the bill and on being so willing to negotiate on issues of concern to opposition members. I believe a satisfactory outcome has been achieved that all segments of the dairying industry can live with. However, it does not please everybody. In my electorate of Rodney alone the various herd improvement organisations hold vastly different views.

The VDIA has served a very useful purpose in improving the recording of herd genetics for the benefit of the whole industry, not just for those who happen to participate in those activities. The transitional provisions that have been arranged will therefore enable the industry to assess the value of herd testing and herd recording for the benefit of the industry, and to determine for themselves how they want to fund that function in future.

It gives me a great deal of pleasure to support the legislation. I wish it a speedy passage so that the \$740 million federal adjustment package can flow to the dairy farmers of Victoria.

Mr TREZISE (Geelong) — I rise in support of the Dairy Industry Bill. I note the significant experience of some of the previous speakers, such as the honourable members for Rodney, Swan Hill and Warrnambool. I do not profess to have their experience but I stand in support of the bill as someone who understands the significance of the bill not only for farmers and the industry but also for consumers. I also appreciate that the dairy industry is a major national industry. As the honourable member for Rodney pointed out, 80 per cent of milk exports and 66 per cent of all milk produced in Australia is produced in Victoria, so it is a significant industry in this state. The bill is important to all Victorians, not just to farmers or the industry.

In addressing the dairy industry the Bracks government committed itself from the outset to reviewing the previous Kennett government's plans to deregulate the industry in this state. In reviewing the previous government's decision the government took on the significant job of consulting with all Victorian dairy farmers. The result of those consultations was that nearly 90 per cent of Victorian dairy farmers agreed that the market milk arrangements in this state should be deregulated, with the important proviso that a commonwealth adjustment package should be available.

Given that the vast majority of dairy farmers support the deregulation of the market the Bracks government

has taken the decision to proceed with that action. It is important to note that the major players in the industry and groups such as the United Dairyfarmers of Victoria also agree with the deregulation and support this important initiative. The bill will ensure there is a controlled and properly managed deregulated industry in Victoria in which producers, manufacturers and distributors can operate, and as I mentioned earlier, that there is a beneficial flow-on effect for Victorian consumers.

The deregulation of controls on the price and supply of milk from 30 June 2000 and the repeal of certain powers of the VDIA is a major initiative. Arrangements in the bill concerning dairy food safety are also important. I acknowledge the extensive work done by the industry in developing and maintaining a fine reputation for food safety standards. The bill establishes Dairy Food Safety Victoria as the statutory authority that will ensure consumers can have confidence in the safety and quality of Victorian dairy food products.

In conclusion, significant change in any industry throws up many and varied challenges. The situation in the Victorian dairy industry will be no different following the significant changes proposed by deregulation, and producers, manufacturers and distributors will face new challenges of varying significance. However, the changes and initiatives introduced in the bill will ensure the dairy industry will continue to prosper well into the future to the benefit of all Victorians. I wish the bill a speedy passage.

Ms DAVIES (Gippsland West) — I appreciate the opportunity to speak on the Dairy Bill, and thereby give the next speaker the opportunity to have a go at me, as he has threatened to do.

Dairy deregulation has been discussed — agonised over — in Victoria and across Australia for several years. It is a huge issue that was pushed overtly and somewhat brutally by the previous government. A brief pause to allow an extra step of consultation by the incoming Labor government was appreciated by farmers across the state before the process was moved into by agreement.

I note that there is still significant anxiety over the issue, particularly in South Gippsland and West Gippsland. The government will need to monitor progress over the next few years to see whether the implementation of the federal package has the appropriate impact and whether price and market predictions are realised. The bill will be agreed to by all parties and honourable members, but perhaps with some of the reservations I have just mentioned.

The bill removes all price and supply controls on milk in Victoria. It establishes a new licensing system for the industry. It sets up a process for dismantling the Victorian Dairy Industry Authority (VDIA) and replacing it with two other bodies.

The first of those new bodies is the food safety authority to be known as Dairy Food Safety Victoria and its focus will be food safety. The object of that body will be to protect the Victorian dairy industry, especially the export market, by ensuring that there are no barriers to the interstate or overseas trade of milk products. The functions of the VDIA will be gradually transferred to the new authority. I strongly support the concept of staggered changes to give everybody time to manoeuvre in a time of rapid and significant change.

The second body created by this bill is referred to as the 'independent entity' and will be known as the Geoff Gardiner Association. I am happy to support that title. That body will manage the residual commercial assets of the VDIA, including the well-known brand names Rev and Big M, and the income stream from the commercial development of the milk meter that will be produced in Warragul. That is not in my electorate, but it is close enough for me to be happy about it.

The aims of the limited guarantee company, the Geoff Gardiner Association, include the gathering, analysis and dissemination of information; research and development; education and training; the management of intellectual property such as the milk meter; and the management of ongoing contracts. I understand the government has also specified that \$3 million of the residual assets of the association are to be used to assist dairy communities.

Farmers and dairy herd improvement services in South and West Gippsland raised concerns with me about the working parties set up by the previous government and the United Dairyfarmers of Victoria and maintained when this government took office. The concerns involved the failure of the working parties to consult with the dairy herd improvement services that were likely to be directly and negatively impacted upon by the new arrangements. The farmers of about 180 000 cows in South and West Gippsland are involved with dairy herd improvement services. About 20 per cent of Victoria's dairy farms are in that region and about 55 per cent of the farmers are involved in direct dairy herd recording, but nearly 90 per cent of farmers benefit from the fruits of that dairy herd recording in their selection of proven bulls. The dairy herd improvement services are very important to the farmers and should have been more appropriately consulted by the working parties.

After representations from myself and the member for Gippsland East and follow-up consultation with the opposition, the government has agreed to make some additional transitional funding guarantees to those dairy herd improvement services that were previously funded through the VDIA. I am pleased about those arrangements. However, I remain concerned that farmers, particularly dairy farmers, have more than enough on their plates at the moment in trying to deal with the goods and services tax and the significant effects of deregulation. I am not happy about any measures that would add to farmers' costs at the moment. As I said, I am pleased about the additional transitional funding, which I am assured will be included in the constitution of the new independent entity. After two years there will be an opportunity to review and even possibly extend that funding.

In general, I am and will continue to be concerned about the possible impacts of dairy deregulation on farmers and small farming communities. We need to watch and wait to see whether more support is needed. The UDV has been pushing for deregulation for a long time and it will be very pleased with the bill. However, the UDV should be aware of continuing to remain too closely wedded to that endangered species, the sad rump of the pseudo-Liberal Party now known as the National Party.

Honourable members interjecting.

Ms DAVIES — Settle, children! It is my turn to talk. The National Party is a bit sensitive at the moment. Like the Nationals, the UDV needs to go back to basics, to look carefully at itself and to learn to work closely with all elements of its industry and grassroots.

On 16 May an article appeared in the *Star* newspaper — which is based in Leongatha — announcing that the Leongatha branch of the UDV has gone into recess after 25 years of existence.

Honourable members interjecting.

Ms DAVIES — I think the National Party lost all its branches in that area some considerable time ago. The *Star* article reports that since Christmas about 300 farmers have left the UDV. Like the National Party, the UDV needs to return to its grassroots.

Mr Steggall — So you are against the legislation?

Ms DAVIES — I am not against the legislation. I have said very clearly for some time that I will support the legislation with a watching brief to see whether those predictions come true and whether further measures are needed.

Mr Steggall — So you can live off the concern.

Ms DAVIES — I do not need to live off the concern — I work for the people in my electorate. No organisation that wants to continue to purport to speak for an industry such as the dairy industry can leave its grassroots membership behind. The UDV in particular needs to do some hard work with all its members to assist them with the adaptations that will need to be made in the coming years.

I support the bill. The deregulation was voted on and given widespread support by the farmers. However, I note the need for a careful watch to be maintained as the process unfolds. I commend the bill to the house.

Mr MULDER (Polwarth) — I appreciate the opportunity to contribute to the debate on the Dairy Bill because my seat of Polwarth in the south-west of Victoria is one of the strongest dairying areas in the state — although everyone else seems to want to make that claim.

There is no doubt that over the past decade Victoria's dairy farmers have undergone significant change and faced considerable hardship. It is notable that in the early 1990s a handful of people would no doubt have left my area because of the mud. They were working in very tough conditions and although the dollars were in the industry the physical pressure caused by the heavy rainfall experienced in the first part of the 1990s started to take its toll on people. As a well-known poem states, this is a country of drought and flooding rain. Since that heavy rainfall in the early 1990s dairy farmers have been choking on dust.

Dairying is one of the toughest industries in which one could be involved. The industry has undergone considerable change in a short time. In the life span of one person dairy farmers have gone from sitting under a cow with a stool to operating rotary dairies and there have been all sorts of other great innovations in the dairy industry, on farms and in processing. We are fortunate indeed to have a dairy farmer in the Parliament. I commend my colleague the member for Warrnambool for his input into this debate and the work he has done in the negotiations that have taken place over the past couple of weeks. He has fought diligently for his electorate and I commend him for that.

Naturally the Labor government — which is in power due to the grace of the Independents — would like to take credit for deregulation. In fact, the change was not delivered by a Labor government but by the industry and the United Dairyfarmers of Victoria — that is, the change was delivered by the coalition government and

about 90 per cent of the dairy farmers in Victoria who strongly support deregulation.

In an earlier period of debate the honourable member for Narracan lodged a petition about the right of people in his electorate to not go ahead with deregulation, and leading up to the election the Labor Party itself tried to put on the handbrake by recommending a plebiscite. What an absolute waste of money that was! The United Dairyfarmers of Victoria (UDV) already had industry support for deregulation. The farmers wanted it, the federal government was poised ready to go — and the Labor Party was sitting on the fence.

As if that lead-up period were not hard enough for the farmers, what with the weather conditions they were suffering and their problems with processors, the Labor Party put the brakes on the deregulation process and caused it to concertina. Because of that some debate and negotiations were stifled, particularly about the Dairy Herd Improvement Fund, which I will touch on later in my contribution. Of the 9300 dairy farmers, 85 per cent voted on the plebiscite and 90 per cent of those who voted were in favour of deregulation.

The Labor Party was told by the industry what the outcome would be, but it still went through the process of squandering taxpayers' money to appease one of its election promises, the promise to put a hold on deregulation. Labor was not listening to the industry. It embarked on populist politics at the expense of taxpayers. That went wrong for Labor, and what the industry had said from the start came to fruition.

While Labor was dithering the federal government was setting up its package, delivering about \$740 million to Victoria, of which the south-west will get about \$230 million to \$250 million. The Treasurer, who is also the Minister for State and Regional Development, claims his \$170 million fund to be spent over four years in rural and regional Victoria is a major contribution to rural and regional Victoria, even though \$100 million of it has already been squandered on winning seats! The federal legislation, instigated by coalition governments both state and federal, will deliver \$740 million to rural Victoria, and I am pleased that about \$230 million to \$250 million of it will go to south-west Victoria.

As honourable members have already said in this debate, Victorian dairy farmers are highly efficient producers. Deregulation will give them the opportunity to use their competitive advantage and will remove interstate barriers to trade. It will, in short, allow them to compete in a single, national milk market. As we all know, the competition is tough out there, but, because of the lie of the land, the water issues and the

efficiencies built up in the state industry over many years, after deregulation Victoria will come out on top.

The \$740 million fund has been set up in such a way that it can be accessed over an eight-year period. Some farmers may wish to take up some of the money to plan; some may consider debt reduction; some may update plant and equipment; some may decide to retire; and some may even diversify or take up other business interests. South-west Victoria already has a number of bed and breakfast businesses associated with dairy farms, and there are ice-cream manufacturers and small boutique cheese manufacturers. The deregulation fund was a tremendous state government initiative and it has been worked on by the UDV to enable dairy farmers to diversify if they wish to do so. I believe the dairy industry can say with this grants package, as no other industry in the history of Australia can say, that it has been treated fairly and equitably by coalition governments.

On 30 June, as a result of deregulation, the Victorian Dairy Industry Authority will cease to exist and will be replaced by a new dairy food safety authority. That body will have the role of ensuring dairy food safety standards throughout the state and will be funded by dairy farm licences and fee-for-service payments. An amount of \$1.8 million will be handed over by the VDIA to set up the new authority.

The Dairy Herd Improvement Fund is a consequence rather than a planned outcome of the deregulation fund. Because of the plebiscite and the consequent delays, things did not go quite according to plan. Without the plebiscite we would have had heaps of time to negotiate and we would not have had to negotiate a position for the DHIF towards the end of the process. The mix-up could have spelt the end of the DHIF, which is, after all, funded through licence fees. It was only through strong lobbying by rural members that the decision was made to fund it out of a trust fund to be set up with VDIA funds.

I commend the efforts of Max Fehring of the UDV and Jim Saunders of the DHIF. They had the ability to sit down, negotiate and compromise to ensure that the fund continued. All agree that poor timing could have spelt the demise of the DHIF had it not been for the heavy negotiations so commendably carried out by the shadow minister and other members of the rural forum — an informal group of rural politicians — including the honourable member for Warrnambool, who has worked unbelievably hard to retain the fund.

I understand work was undertaken in that area by the Independents, too, on a couple of occasions. Initially

they negotiated in favour of the retention of the fund, and then they attempted to nobble it. I have no idea what method, business plan, formula or advice the Independents used to promote the idea of cutting the funding. In any case, the fund was not completely nobbled and will continue.

In its two-year lifespan it is hoped the fund will position itself in the marketplace and be treated in an equitable manner by the dairy industry. I hope it is allowed to further the great work it has already done to improve dairy herds in Victoria and to carry on with its excellent research and development work such as developing the milk meter, one of the most significant developments in the dairy industry in recent years.

Dairy Food Safety Victoria will take on 17 auditors to look after food safety. They will transfer over from the VDIA to the food safety authority, which will be run by 7 board members. As the honourable member for Warrnambool said, there are concerns about the size of the board and its ability to control the 17 auditors. There are also concerns about what the 17 auditors will do with themselves when their initial job is done. The concerns are heightened by the fact that the auditing process is to be funded out of dairy licences and fee-for-service payments. That is an open cheque, as the honourable member for Warrnambool said, that could be diverted to other functions carried out on behalf of the government. What sorts of functions should not be funded from up-front fees?

The remainder of the assets will be transferred to the Geoff Gardiner Trust Fund. That is a great initiative that will allow timely and professional disbursement of the assets of the VDIA and the selling off of brands.

Staffing and redundancy issues will also have to be dealt with. It is tremendous that that initiative was taken to deal with the money, which belongs to dairy farmers.

In his second-reading speech the minister said \$3 million of VDIA fund would be used to assist dairy communities to adjust to deregulation. I am concerned about where that \$3 million will go. Does the minister expect the dairy farmers who have been affected by the closure of processing plants to fund the outcome?

Ms Davies — You are getting confused.

Mr MULDER — I am not getting confused. I have some concerns about it being unmarked money that should have come from state government revenue. That Labor funny money was not allocated or identified in the budget, and no consultation has taken place. Some \$3 million of dairy farmers' money is now in the government's hands. The government has a healthy

budget position because the former government left it in a healthy position, but I am deeply concerned that the \$3 million will turn into a drip-feed scenario and it will be left to the farmers to deal with the dairy community at their own cost. It should be dealt with using state government revenue and the surplus left to the government because of the great fiscal management of the previous government.

I hope the Labor government monitors the deregulation of the dairy industry in rural and regional Victoria. Despite Labor government comments about how the previous coalition government treated regional and rural Victoria, this great initiative was introduced by the previous coalition government.

Ms Davies interjected.

Mr MULDER — The honourable member for Gippsland West might talk about how bad the previous government was and what it did and did not do, but she should look at what it did to support the region. It provided for an abattoir upgrade. The abattoir was going to be closed but was held together for the rural community by the previous government. The community received a new hospital — —

Ms Davies — On a point of order, Madam Deputy Speaker, the debate is on the Dairy Bill. I question the relevance of the honourable member for Polwarth's contribution.

The DEPUTY SPEAKER — Order! There is no point of order. The debate has been fairly wide ranging. I am sure the honourable member for Polwarth will keep his comments relevant to the bill.

Mr MULDER — The earlier interjection of the honourable member for Gippsland West asked what the previous government did for rural and regional Victoria, and I was trying to advise the house on that.

The DEPUTY SPEAKER — Order! The honourable member for Polwarth knows he should not respond to interjections.

Mr MULDER — I refer to the work done by the previous coalition government to support dairying communities. Brand new abattoir facilities have been built at Colac to the tune of \$10 million. The abattoir was saved for the area by the intervention of the former Premier and former Deputy Premier. The new abattoir will benefit the rural community enormously.

The former honourable member for Polwarth, Ian Smith, and former Treasurer Stockdale made it possible

to bring natural gas to the Polwarth area. A new \$30 million hospital will also — —

The DEPUTY SPEAKER — Order! The honourable member for Polwarth is now — —

Mr MULDER — A new arts and cultural centre — —

The DEPUTY SPEAKER — Order!

Mr MULDER — There is also an investment boom in the area. There are jobs, but where are all the workers? There is no-one to work.

The DEPUTY SPEAKER — Order! This is a serious debate. I ask the honourable member for Polwarth to return to the bill.

Mr MULDER — I throw my entire support behind the bill and the dairying communities, because they are facing hard conditions. Apart from the steps taken through this bill, the community is also looking for new initiatives by the Minister for Agriculture and is waiting on his deliberations about how to assist farmers throughout south-west Victoria who are having to deal with the critical water shortage. I commend the bill to the house.

Mr SEITZ (Keilor) — I support the Dairy Bill and congratulate the Minister for Agriculture on the way he handled the situation before bringing the bill to Parliament. It is important that the people affected by the bill had a say in its formulation; they had a democratic vote on which way to go.

I listened carefully to previous speakers on the other side of the house. Several years ago I was involved with the Public Bodies Review Committee, an all-party parliamentary committee that looked at the dairy industry, so I have some knowledge of the industry and the issues that were bubbling away at that time.

It may seem good when governments give people a vote and provide funding up front, but there are always some people who will fall through the safety net. It was important to have a vote so everyone had the opportunity to express his or her view about the formulation of the bill and how deregulation should take place and so that people would know what to expect.

As the honourable member for Rodney said, the industry has changed. The modernisation of the dairy industry has meant that we have moved from one-seat milking to herringbone and carousel milking. Setting up new milking methods requires capital investments, so

many families who conducted small operations are now going off the land. Even if only one member of the family moves, it is almost impossible to find other help. Not many hired people work on farms nowadays.

The bill will affect people's lives. The issues concern people's future and the future of generations to come. The way issues such as this affect people was highlighted to me and others during hearings in Gippsland on ovine Johne's disease. The previous government had a callous disregard for how that disease affected people's livelihoods and their investment for generations — —

Mr Mulder — On a point of order, Madam Deputy Speaker, I question the relevance of ovine Johne's disease to the bill before the house.

The DEPUTY SPEAKER — Order! There is no point of order. The honourable member for Keilor has only just started his contribution. He has spoken for only 2 minutes, and I regard his remarks as introductory comments. I am sure he will continue to speak in relation to the bill.

An Honourable Member — That disease affects sheep.

Mr SEITZ — I am fully aware of what I am talking about, but I am giving an example of how the previous government treated the farming community. What happened with that disease is a prime example. By contrast, the present minister is setting up a task force to deal with bovine Johne's disease, so he is handling Johne's disease in cattle in a completely different way from the way the previous government handled Johne's disease in sheep. He is consulting with the farmers. It is important to work with an industry that is undergoing change, and that is particularly true of the farming industry, which we rely on so heavily.

As we all know the dairy industry is a big money-earner for Victoria; the Victorian dairy industry has the capacity, efficiency and stock to enable it to supply the whole of Australia with fresh milk. I hope the strength of the industry is maintained under this legislation, and I am sure the Minister for Agriculture will monitor the implementation. I wish the bill a speedy passage.

Mr KILGOUR (Shepparton) — I am pleased to see you in the chair, Madam Deputy Speaker, because rural members have come a long way in having city members understand the issues involved in the provisions of the bill. When I arrived at Parliament House this morning I heard somebody say, 'What's on the agenda this morning?', and you, Madam Deputy

Speaker, were walking around uttering the words, 'Moo, moo'!

This is an important bill for regional Victoria, particularly as I represent the premium dairy country of Victoria in the Goulburn Valley, which is supported by irrigated agriculture.

For 18 years I was involved in the marketing side of the dairy industry. I worked in Shepparton as sales and marketing manager for a company called Ducats Food Products, which had been in business there for more than 80 years. The work that we did with the then Victorian Dairy Industry Authority (VDIA) resulted in the Big M campaign, which changed the whole face of milk marketing not only in Victoria but around Australia.

At the time Ducats was vigorously marketing flavoured milk in Shepparton and was selling approximately 18 per cent of its gallonage in the flavoured milk market; but in Melbourne the figure was less than 1 per cent. Discussions with the marketing people at the VDIA saw the Big M campaign come to fruition.

During my time in Parliament I have seen interesting changes in the dairy industry, and there certainly have been many. Deregulation was always going to happen. Back in the days of the Kerin plan the future was mapped out for the dairy industry, and whether some dairy farmers like it or not, the deregulated industry was coming; Victorians will face deregulation from the beginning of next July.

The dairy farmers in my area supply companies like Bonlac, Murray Goulburn, Ducats Milk, Tatura Milk Industries and Snow Brand; irrigated agriculture ensures that those companies have a year-round supply of milk. My electorate has witnessed massive expenditure in the dairy industry through the advent of the large rotary dairies, which enable milking of 800 to 1000 cows, resulting in the amalgamation of many farms.

The change to the regulated industry will open up markets and give Victorian dairy farmers a magnificent opportunity to compete not only across Australia but across the world, particularly in the local markets, because Victorian dairy farmers are among the most efficient in the world. They will be able to take advantage of the deregulated industry.

For many years a premium price has been paid for what is called city milk or market milk, which gives an opportunity for farmers to gain the extra revenue to ensure that they can milk cows all year, thereby

providing the cities with a continuous supply of that important, magnificent milk product.

I pay tribute today to Max Fehring and his team at United Dairyfarmers of Victoria. In contrast to what was said by the member for Gippsland West about the UDV needing to listen to its grassroots, I have found the case to be the opposite. In my electorate the UDV was magnificent in bringing about the best communication ever between its body and Victorian farmers.

I keep in close contact with my local UDV people. I talk often with Geoff Akers, from the UDV in the Goulburn Valley, about how the body was ensuring all its members completely understood what would happen at the time of deregulation, what the package was all about, how they could take advantage of it, and where the UDV was taking dairy farmers in the future.

I do not want to listen to the people who did not get involved with the UDV's action but said, 'They are looking after the top end of town' or similar remarks. The fact is the UDV represented dairy farmers and was trying to do the best not only for dairy farmers but for the future of the dairy industry. As I explained to some of the cynics and sceptics, if the cooperatives and the UDV do not have the future of the dairy industry at heart, who does?

In its communications with its members the UDV stressed the importance of the issue; that resulted in the magnificent vote of dairy farmers. They voted to ensure they were supported and given direction in the future by a financial package arranged by the federal government. I take my hat off not only to Max Fehring and his team in Melbourne, but to the country UDV people who travelled around and spoke to as many members as possible to help them understand where the industry was heading.

It is important that this package, which goes into country Victoria, gives people on dairy farms an opportunity to work out what they want to do in the future. Some will choose to get out of the industry, some will choose to invest in other properties and to get bigger and better — to put in a rotary dairy, and so on — but deregulation will lead to a better industry in Victoria because it is efficient and can provide dairy products on the world market in the future.

We have an increasing market in south-east Asia and in countries such as India, where people are coming to understand the benefits of dairy products. The world is our oyster, and we need to be ready for it. The UDV understands that and is being supported by many

governments and people in government departments; the message is that the industry needs to be up there and moving ahead.

The Victorian Dairy Industry Authority — a good authority that has looked after the supply and promotion of milk and, most importantly, product quality — will be wound up. The need to be vigilant has been exemplified with the meat industry overseas, with the bad publicity that went with the discovery of meat from diseased animals.

Some years ago the milk industry received adverse publicity concerning salmonella in the dairy industry. Some of the articles written by newspaper people were appalling. One newspaper journalist went to a milk factory in country Victoria and found a milk vat that had been not used for some time; it had been put in the backyard of the factory. The journalist found bird droppings in it and then wrote that milk factories had bird droppings in their vats. That is the sort of rubbish the people read from journalists who should have been talking up the industry and telling the community about the extensive industry programs that ensure the quality of the milk product.

The safety of the milk product has been of paramount importance in the deregulation process. I fully support the new authority, Dairy Food Safety Victoria, as a statutory authority responsible to the Minister for Agriculture, who takes on responsibility for the deregulated industry, fully understanding the paramount importance of ensuring Australian food safety standards are maintained.

A board of seven members will administer about 20 people who will look after the area. One of my best friends was an auditor in the Victorian Dairy Industry Authority. I talk to him regularly about the work being done in our factories. Originally he used to take part in on-farm audits, but that is now being done almost exclusively by the factories. The factories are paying according to the quality of milk received and ensuring that farmers understand the need to consider product quality on the farm rather than worrying about what happens after it leaves the farm gate.

I am pleased to see that the seeding grant of \$1.8 million for the new organisation will ensure that it is established correctly and that future fee-for-service arrangements will meet much of the cost needed to make sure Victorian dairy products continue to meet the highest world standards.

There is still some conjecture as to the sales figures from the Victorian Dairy Industry Authority regarding

the brands. I have looked at this issue over the years. The VDIA has some excellent brands: Big M, which was probably the flagship; Rev, Victoria's first adulterated milk that has been well marketed; Skinny; and Farmhouse, the full-quality brand of milk. Those brands will certainly be worth something on the market. The marketing by the amalgamated dairy companies of their brands certainly places a question mark over the original quote of between \$3 million and \$30 million being placed on people considering entering the market. They will have to decide what they are prepared to invest to become involved in those markets. Unless those who pay the money can have the processing companies right across Victoria market their products, the brand products will not be worth as much as they would have been when a whole-of-state marketing system with brands was in place.

The legislation will lead to an exciting and bright future for dairy farmers. In most cases the dairy industry is united, although some work needs to be done on the herd improvement aspects. As farms become larger and farmers become more professional and invest more, they must ensure their investments are set for the future. I hope the massive investments in the industry continue, to make sure farming communities and major regional towns such as Shepparton, Camperdown, Colac, Tatura and Kyabram continue to be at the forefront of rich farming communities. Then country people can continue the standard of living to which they have become accustomed.

I wish the Dairy Bill every success and a speedy passage through the house to ensure the dairy industry can remain the best industry in Australia.

Mr LENDERS (Dandenong North) — It is with pride, for a number of reasons, that I contribute to debate on the Dairy Bill.

Firstly, it is good legislation; secondly, I am as qualified as any member of the house to comment on the dairy industry as I grew up on dairy farms in Drouin East and Willow Grove. In my previous life I worked for the dairy industry in Drouin and Moe.

I am typical of the new breed of Labor members of Parliament who have a good grasp of regional and rural issues. Not only does the house have 14 Labor members representing regional and rural electorates, but 10 members have farming or primary industry backgrounds. The Treasurer comes from Bendigo and represented that area extremely well as a member of federal Parliament. I could go through the list, but in the time available I would prefer to concentrate on the bill.

The bill is important because it involves the government governing the whole state well. Many of the links established by the Labor Party with rural areas have stood the party in good stead as it came into government.

I first met the honourable member for Narracan 20 years ago when we were both working at the Drouin butter factory, which later became part of the Bonlac group. So far as stereotypes go, I was working in accounts and he was an electrician. It belies the myth that we were both union hacks who know nothing about the bush. On the contrary, I suggest probably more government members than opposition members would have spent time milking cows.

Some people may ask, 'Why are you regulating the dairy industry? What is important about the partnership between the farming community and government? Why do the two need to work together well?'. If I were to try to identify members who are or have been dairy farmers and talk about the strong small business values involved, I know the honourable member for Evelyn is one who feels strongly about small business values and would, perhaps, be looking at the issues. Almost all dairy farms are family farms. Economical family units are critical in making our society work because they are really small businesses. As I said, having come from a small business and farming background, I well understand the importance of small business values.

The links to the land are important. As the honourable member for Keilor said, while travelling around with the Environment and Natural Resources Committee, of which he is chairman, he was made aware of the strong feelings that country Victorians have about the land, stock and related work ethics. I grew up in the 1970s on a dairy farm. I was aware of the various deregulation proposals going around then because farming communities want a say and want to be consulted.

The Bracks Labor government held extensive consultations with farming communities, to the point of basing its election platform on the issue on a ballot. I know opposition members were excited about the ballot and day after day they mocked and ridiculed the government. I notice the honourable member for Polwarth has left the chamber, which is a pity because during his contribution he was scathing about the government having bothered to ballot people. Yet in another breath opposition members are saying that the government should be consulting with people. I know the opposition parties are schizophrenic — it is a partnership of two different parties — but they cannot have it both ways.

The farming community is a responsible community; it is the salt of the earth and I am proud to have grown up as part of it. It wants to consult and it wants strong leadership — and that includes consultation. Strong leadership does not involve dictators running around telling others what is good for them, but people going with ideas, testing them, consulting and, on those bases, making good decisions and sticking with their decisions. The government consulted with the dairy industry, which the industry appreciated, and came to conclusions. The result of that process is the bill.

I commend the bill to the house as a great product that has come from a Bracks Labor government that is governing for the whole state.

Mr RYAN (Leader of the National Party) — Within the constraints of a voice somewhat diminished by the effects of the dreaded lurgy, I support the Dairy Bill.

It represents a pivotal moment in the history of the dairy industry, not only in Victoria but nationally. It is wonderful that the industry has so organised its affairs as to fundamentally have implemented the new industry structures across various jurisdictions at federal and state levels. In this instance there are many winners.

The outcome is one of inevitability in the sense that the reorganisation of the industry was always going to happen in some way, shape or form. No matter how it occurred, across Australia the previously highly regulated arrangements for the dairy industry were to be broken down. Only because of an industry understanding have we not traded milk across borders in the past few years. We have been able to trade virtually every other form of product across state borders, but that was not possible with milk. To its great credit, the industry has worked hard over many years and has finally encapsulated new arrangements in the proposed legislation.

Many people have led the debate and contributed much to the outcome in the bill. They are to be congratulated because the bill represents the outcome of much effort by many: Pat Rowley has made a tremendous contribution at a national level; Max Fehring in his capacity as chair of the United Dairyfarmers of Victoria, and the shadow Minister for Agriculture, the honourable member for Swan Hill, also have done much, particularly in the past few days, to refine not only the many provisions in the bill but also the undertakings represented in the minister's second-reading speech when the bill is introduced into the Legislative Council. Those measures are important for the future of the industry.

Dairying is a huge industry. With New Zealand, Australia accounts for about 2.5 per cent of the global production of milk yet represents about 50 per cent of the international market. That is a staggering statistic. Inevitably with the passage of time and as the industry grows Victoria's 63 per cent or thereabouts contribution to national milk production will increase even further, as will its current levels of trade in milk.

I well appreciate that today some elements of country communities have misgivings about deregulation. They are concerned about what impact its introduction will have on country communities. I intend to follow the issues closely on behalf of not only the Gippsland community I represent but also on behalf of dairying communities generally. The reality is that the people who are involved in the industry have made a magnificent contribution to it over a long period.

Substantial Murray–Goulburn factories are located throughout the region and at Maffra and Leongatha in my electorate. Until recently Bonlac Foods was an active operator in the Toora area but has announced its intention to close its factory there. That raises issues that can be best talked about at another time and in another place. Suffice it to say that the impending closure of the Bonlac Foods factory at Toora reflects the industry's attitude of looking forward to ensure that suppliers receive the maximum advantage from the prices they are paid for the milk, which is fundamental to the future of the industry.

As part of the package that has been developed Victoria will receive some \$763 million, about \$224 million of which will go to Gippsland. The payments will occur over the next eight years. A discounting mechanism is being devised in concert with the finance industry and the United Dairyfarmers of Victoria to enable farmers to take a current benefit from the long-term payments if they are prepared to take a cut in the cumulative value of the payments. Dairy farmers will be able to take up those matters with the finance industry as they see fit.

In his excellent contribution the honourable member for Swan Hill highlighted the food safety issue. The establishment of a dairy food safety authority is critical to the future of the industry. As the honourable member remarked, food safety is one of the absolute essentials for opening and maintaining markets. In today's world people want to know that the products with which they are being supplied comply with whatever standards of safety apply to their jurisdiction, particularly when those products are from international sources. The authority's role will be critical to ensuring that the appropriate quality assurance standards, and the like, are maintained.

The government needs to ensure that the authority is constrained in what it does and is not given too many tasks. Although the work of the authority will be absolutely necessary no-one wants farmers having to pay excessively for that work. That is a question of achieving a balance, and that will need to be monitored over time.

As a Gippslander I am particularly proud of the initiatives proposed in clause 65. It provides for the establishment of an independent entity that will have the important task of overseeing a number of functions relating to the general management of the assets and liabilities of the Victorian Dairy Industry Authority. That will occur on the repeal of the 1992 legislation, which will occur as a result of the passage of the bill. I am also proud that the entity will be called the Geoff Gardiner Foundation. Geoff Gardiner was a great Gippslander and a forward thinker. He contributed largely over a long period through the Foster branch of the National Party. In the broader context of the dairying industry he did much of the work that was required to bring about the proposed legislation.

Geoff's untimely death a year or two ago was a terrible blow not only to his wife and family but also to the Gippsland community generally. More broadly, it can be fairly said that his death will set back the advancement of the initiatives in the legislation. Geoff was in every sense a great community contributor. It is a marvellous tribute to a wonderful fellow that such an important entity will bear his name. It will be a testament to the great work he did for his community in Gippsland and for the dairying industry in Victoria.

Another important component of the arrangements that have been struck, although it is not formally represented in the proposed legislation, is the funding in the amount of \$300 000 over the next two years for herd improvement centres. The honourable member for Swan Hill has been intimately involved with the issue and initiated discussions with the relevant stakeholders, who are concerned about the matter. It is a great outcome because the herd improvement centres do wonderful work on behalf of the industry. They are located in different places around my electorate, which is representative of various other parts of Victoria. I am delighted at that outcome. I hope that after the first couple of years the herd improvement centres will still have access to funding through the Geoff Gardiner Foundation, because their work is integral to the future success of the industry.

Although there are other matters to which I would have liked to refer, my voice has decided that now is the time

I should sit down. I commend the bill to the house and wish it a speedy passage.

Mr LANGDON (Ivanhoe) — I am pleased to follow the Leader of the National Party. I commend him on his efforts during the past 10 minutes. I know it is not comfortable to be here when one has the dreaded lurgy, having suffered from it myself.

An honourable member interjected.

Mr LANGDON — I am challenged about drinking milk; I am pleased to advise the house that my wife thinks no-one drinks more milk than me. It is my favourite drink, so I am keeping a few dairy farms going. People might ask, ‘What relationship does the seat of Ivanhoe have with dairy farming?’

Mr Ryan — What does the seat of Ivanhoe have to do with dairy farming?

Mr LANGDON — I am pleased to advise the house that many years ago the seat of Ivanhoe had in it a large dairy farm. That is the only direct association the seat could possibly claim to have with dairy farming.

I support the bill. From their speeches I note that opposition members also support it. The opposition has had concerns about the bill and I am pleased the Minister for Agriculture and the shadow minister appear to be working together on the issues. That is a demonstration of the spirit of cooperation the government has brought to Parliament. It is a refreshing approach.

I note from the second-reading speech that while deregulation was on the agenda the Minister for Agriculture consulted with dairy farmers to find out exactly what they wanted to do. The dairy industry deregulation issue has been raised in the house time and again with the minister by the shadow Minister for Agriculture and the Leader of the National Party, and on more than one occasion he has enjoyed answering their questions at length.

I understand there was a turnout of some 84 per cent, which in a non-compulsory voting situation is exceptionally high. Earlier speakers referred to the word ‘deregulation’, a word that strikes fear in people’s hearts, probably more so in the hearts of residents of regional Victoria. I worked at Tatura for the National Bank of Australia — dare I say it during the banking deregulation process, a process not enjoyed by country Victorians. Most of regional Victoria has suffered from some form of deregulation over the past few years. Clearly, the opposition has had difficulty dealing with

deregulation and received the backlash of that in the recent election.

The Dairy Bill is a reasonable bill that makes some fundamental changes. It repeals the Dairy Industry Act and will deregulate price controls from 1 July. I commend the approach of the Minister for Agriculture who is an outstanding minister and I fully support the bill.

Mr McARTHUR (Monbulk) — It is a pleasure to speak in support of the Dairy Bill. The opposition welcomes the fact that the government has introduced the legislation, despite the Minister for Agriculture being dragged kicking and screaming towards the initiative and fighting desperately against the plebiscite. He eventually realised that the dairy industry and the dairy farmers welcome the move.

The opposition agrees with the provisions of the bill. It is delighted that the minister now offers a funding assurance of \$300 000 annually over two years for the very successful herd improvement scheme. I understand that assurance will be given in the second-reading speech by the minister responsible for the bill in the other place. For many years the herd improvement scheme has resulted in enormous productivity improvements in the Australian dairy herd and clearly the Victorian industry is the best performed and the most effective and efficient of all the states. Although some Victorian dairy farmers have that nervousness referred to by the honourable member for Ivanhoe, they can be assured that their industry is well placed to take advantage of the deregulation.

It is important to note that the bill ensures that the Victorian dairy industry will receive the commonwealth package of \$740 million that is tied to the deregulation process. The industry will receive a substantial boost and allow it to cope with the difficulties that increased market forces might provide.

Although the Victorian dairy industry has performed well, it is currently facing a fairly rough time. However, all involved in the industry and those who have observed it over the years expect it to come through in a stronger fashion and build on its performance. It is important to recognise that it will not be easy for every dairy farmer to adjust or for every processor to cope with the changes they will face. The finances attached to the bill will assist them to do that and the programs put into place will allow the industry to develop in ways that perhaps not everyone expected.

The honourable member for Ivanhoe spoke about being a keen milk drinker. It is worth noting the vast

differentiation of product in the past 10 or 20 years. When the honourable member for Ivanhoe received his bottle of milk at recess in primary school it came in only one variety — basically wet or dry! These days the range of milk and cheese products on the shelves of retailers is extraordinary. The future strength of the industry lies in being able to develop and differentiate the products and make them attractive to customers so as to attract new markets and new customers both within and outside Australia.

The bill provides for a substantial concentration on food safety with the establishment of the new authority, Dairy Food Safety Victoria, which will embrace the hazard analysis critical control point principles that have worked well in the meat industry. The Victorian Meat Authority was the pioneer in developing and properly managing those principles in food safety across that sector of Victoria's food industry. It is an effective way to manage food safety and it allows the industries to identify, assess and control the risks that they face concerning food safety. The establishment of this new authority is good news and the opposition expects that it will do the job required of it and enable consumers of dairy products to have confidence in the healthiness and safety of those products.

The bill transfers the assets held by the Victorian Dairy Industry Authority to the benefit of the industry and that also is a welcome move. I wish to acknowledge the work of Tom Austin, a former agriculture minister and a long-time member of the house. As chairman of the VDIA he has carried out some wonderful work on behalf of the industry. I am delighted to see the industry in such good shape and I am sure that Tom will take pride in that.

I do not intend to spend any significant time speaking in the debate. I welcome the government's move, which I believe is sensible. It ensures that Victoria will have a growing, competent and expanding dairy industry in the future. Dairy farmers may be confident that their industry will be at the forefront of the Australian dairy industry and be internationally competitive. It is good to see that the Labor government has agreed to proceed with the legislation. Despite the minister's nervousness about deregulation on any issue in the past, I congratulate him on his efforts in introducing the legislation to the house. I am sure it will be successful. I wish the bill a speedy passage.

Mr STENSHOLT (Burwood) — I support the Dairy Bill. It is a long time since there was a dairy in Burwood, although some of my older constituents can remember those days. Unlike the honourable member for Dandenong North, I cannot lay claim to having

milked many cows. However, part of my schooling took place in the Western District and later, as the manager of the Australian Overseas Aid program, I was involved in the purchasing of substantial amounts of milk powder for refugees. I was also involved in both an extensive program for appraising the viability of milk factories in countries such as Sudan and overseas aid programs involved with reconstituting milk by Australian dairy companies.

The Dairy Bill is a product of good governance. The government consulted with those in the industry so they could have their say. It is a hallmark of the Bracks Labor government that it governs for all Victorians and lets people have their say — that is, it believes in democracy for all Victorians. The Labor Party is the natural party to support country Victoria. The talk of a federal country Labor Party demonstrates the concerns Labor has about the impact of change in country areas.

As other speakers have said, the rationalisation of services and the deregulation of industry has had a massive impact on country Victoria. Rationalisation has occurred in the banking industry, with schools and in the provision of public services, including by government departments and agricultural support services. It was only after care and with due diligence that the Bracks Labor government has gone ahead with the deregulation of the industry. About 75 per cent of all farmers voted in a plebiscite organised by the government, and 89 per cent of those who voted supported deregulation of the industry, provided an adjustment package was made available.

The provisions in the bill will allow for the transition to occur at the end of next month as part of a national program for the readjustment of the dairy industry. I trust it will be good for the industry and will assist the industry market throughout Australia.

On behalf of my constituents I hope that food safety standards will be maintained by Dairy Food Safety Victoria because food quality is a major concern for them. I know how much care has been taken in the establishment of the new authority and I trust it will maintain past high standards and performance in the future. With those brief comments, I commend the bill to the house.

Mrs FYFFE (Evelyn) — I rise with pleasure to speak on the bill. I have three dairy farms in my electorate, but I also have industries that use by-products of milk. For example, there is a successful cheese factory, the Yarra Valley Dairy, and a gourmet chocolate manufacturer, Kennedy and Wilson.

I could talk for some time about when I milked cows as a young person. A romantic picture of buxom, rosy-cheeked maidens milking cows is a popular perception, but the reality is that it is damned hard work. Often there would be ice on the buckets of water used to wash down the cows before milking. Cows are not the pleasant placid creatures that they are depicted to be in so many films. They tend to kick over the bucket of milk, or if they have not been tied up effectively on the odd occasion they will put their foot into the milk, and you spend time trying to skim the bits off before your mother finds out. I have worked a separator and helped my mother make butter, cream and cheese.

The government spends money to run a fully commercial dairy farm, Haining Farm, at Launching Place in my electorate that is used to educate children and show them that milk does not just come from cartons in shops. That is in complete contrast to my experience. I was surprised when I discovered that people could walk into a shop and buy milk and that the most arduous thing they had to do in getting that milk was carrying the bottles out. Similarly, honourable members can imagine my astonishment when I discovered there was more than one kind of cheese. I had thought there was only the hard and bitter cheese my family made.

The value the dairy industry has added to Victoria extends into tourism. The Yarra Valley Dairy cannot cope with the number of visitors at its establishment so great is the interest in the cheese it produces. Its cheeses are available at fine restaurants throughout Australia. In addition, the airlines are purchasing it, as they are the cheese from Tarago River Dairy, situated just outside my electorate. I urge honourable members who have not sampled Victoria's new cheese products to try Tarago's Shadows of Blue cheese, which was released a few years ago and which is a wonderful cheese made from milk sourced locally and from the Yarra Valley.

Much emphasis is placed on the nutritional qualities of milk, but it is an epicurean delight to enjoy good company while partaking of Shadows of Blue cheese, a bottle of chardonnay and some pears. If honourable members or staff wish to visit the Yarra Valley I could expose them to the wonderful treat of beautiful soft cheeses. The area even has some fantastic bread manufacturers. The wonderful Beechworth bakery intends to open a store in Healesville, which will add to the delights available in the area.

The dairy industry has faced considerable change, as have many other industries, and it is important that funds for research and development are maintained so

the industry remains a leader in its field. When I see films depicting buxom maidens milking cows it takes me back to the time when I had no choice and had to do it. Films always show the cows being brought up over beautiful green pastures and cobbled pathways by people wearing sturdy shoes. All I remember wearing were gumboots, which were always too big, but you had no choice but to wear them because you had to grow into them. The gumboots were often sucked off in the mud, which was a mixture of cow faeces and urine. As you walked behind the cows trying to make them go quickly because it was raining they would deposit things on your feet.

The dairy industry is a hard-working industry. It makes great products that benefit regional Victoria. I commend the bill to the house.

Mr PLOWMAN (Benambra) — I thank the honourable member for Evelyn for allowing me time to speak on the bill. I have not had a previous opportunity because of prior commitments.

The Dairy Bill is one of the most momentous pieces of legislation to come before this house in respect of agricultural industries and the production of agricultural products. I pay my respects to Max Fehring, who is currently in the gallery, for the extraordinary amount of work that he has put in to the industry. The dairy industry across Australia owes him a debt of gratitude for his work. The bill is the result of the work the United Dairyfarmers of Victoria have put into developing the proposal. Over the next 20 years all Victorian dairy farmers will be incredibly grateful to the UDV for its work.

The industry is changing completely. Dairy farmers are concerned about a number of aspects of the changes. However, those changes offer enormous prospects, not just because of the compensation but because they will promote development and foster competition between dairy farmers throughout Australia, and particularly between dairy farmers in Victoria. The change is the best possible way of looking after the future of the industry over the next few years.

Debate adjourned on motion of Mr HOLDING (Springvale).

Debate adjourned until later this day.

Sitting suspended 1.00 p.m. until 2.03 p.m.

QUESTIONS WITHOUT NOTICE

Rail: regional links

Dr NAPHTHINE (Leader of the Opposition) — I refer the Premier to his response to a question I asked yesterday on high-speed rail links, in which he said Labor's policy was to commence feasibility studies within 100 days of attaining office. The Premier went so far as to accuse me of misreading the policy when I said that Labor's policy was to complete the feasibility studies.

The SPEAKER — Order! I ask the Leader of the Opposition to come to his question.

Dr NAPHTHINE — I refer to Labor policies on Ballarat, Bendigo and Gippsland, all of which state that within 100 days of attaining office the Labor government will complete feasibility studies into high-speed rail. I ask: did the Premier intentionally mislead the house, or is he genuinely unaware of his own policies?

Mr BRACKS (Premier) — Mr Speaker, as I mentioned yesterday, the feasibility studies will be released shortly. They cover the three key areas of Traralgon, Ballarat and Bendigo. A Geelong feasibility study is yet to be undertaken. The studies will apply the \$80 million the government has set aside in the budget for the fast-rail lines.

These are the biggest investments in rail for a long time in Victoria. We will move to the planning stage on release of the feasibility studies.

Dr Naphthine — On a point of order, Mr Speaker, the question was whether the Premier intentionally misled the house yesterday or whether he genuinely did not understand his own policies. It is not adequate for the Premier to talk generally around the issue of feasibility studies. He must come to the nub of the question, that he misled the house yesterday and should apologise.

Mr BRACKS — On the point of order, Mr Speaker, the Leader of the Opposition asked me about completion of the feasibility studies. I am indicating to him and the house that those matters are complete and we will be releasing them in the near future.

The SPEAKER — Order! I do not uphold the point of order raised by the Leader of the Opposition. The phrasing of the question encompasses a number of issues. The Chair has repeatedly stated to the house that it cannot require a minister to answer a question in a particular way. The requirement is that the minister

remain relevant. The remarks of the Premier were relevant, and I shall continue to hear him.

Mr BRACKS — I conclude by indicating that the feasibility studies will soon be released.

Drugs: local government strategies

Mr LENDERS (Dandenong North) — I refer the Minister for Health to the serious problem of chaotic drug use in the municipalities of Port Phillip, Maribyrnong, Greater Dandenong, Melbourne and Yarra Ranges. What consultation is the government undertaking with local councils in those areas to reduce the harmful effects of drug use?

Mr THWAITES (Minister for Health) — This afternoon I will be meeting with the mayors and senior officers of five councils most affected by chaotic street drug use, they being the City of Greater Dandenong, City of Maribyrnong, City of Melbourne, City of Port Phillip and Yarra Ranges Shire Council.

I will be advising the councils that the government will provide \$125 000 to allow them to prepare their local drug plans. The Penington committee recommended that local planning round-table conferences be established with key stakeholders and local health providers, the police, traders and residents to prepare a plan on local drug strategies.

Local drug strategies are a key part of saving lives. We have already had the tragic situation this year where 130 people have died from heroin overdose. Each council in preparing its local plan will have the ability to include many of the matters that the government has foreshadowed in its drug strategy. They are improved drug rehabilitation and treatment; support for families of drug users, which means parents and parent support groups; prevention programs in local schools; local drug management plans, which fit in with local planning laws; and mobile drug safety workers who help save lives.

The councils may choose, as part of their local drug strategy, to include injecting facilities, and where they choose to have injecting facilities as part of the plan an additional \$25 000 per council will be available for developing the detailed protocols around those facilities.

Once the plans have been produced the government will provide funding for implementation. That will come from the \$75 million the Bracks government has committed for innovative drug strategies over the next four years.

A considerable amount of work has been undertaken by councils. I thank the councils and their staff for the work done in consulting with communities. They are working collaboratively with communities and providers rather than scaremongering. The issue of injecting facilities is contentious, but the government believes the trial is vital to determine whether the approach will reduce the death toll.

Next week the government will introduce a bill and allow it to lie over during winter and be debated in the spring session. I look forward to working closely with members from all parties, including the Independents, on the details of the bill. The government is open to suggestions and believes legislation should be developed on a bipartisan basis. Government members look for support and input from opposition parties. The drug issue is too serious a matter to allow scaremongering or petty party politics. Everything possible must be done by the community to reduce the terrible death toll.

Honourable Members — Hear, hear!

Legal aid: funding

Dr DEAN (Berwick) — I refer the Attorney-General to his comment in the *Age* of 13 May with respect to state funding of legal aid when he said:

Victorian spending has actually increased slightly.

Given that Victoria Legal Aid's own figures and the budget papers show that state funding was \$27.78 million last year and is only \$28.4 million this year, can the Attorney-General explain how a \$380 000 decrease in state funding for legal aid constitutes a slight increase?

Honourable members interjecting.

The SPEAKER — Order! I ask the house to come to order, particularly government members.

Dr DEAN — On a point of order, there seem to be some interjections in regard to the question. I would like to make the question clear because of the confusion over the question asked.

Honourable members interjecting.

The SPEAKER — Order! There is no point of order, but I ask the honourable member to ask the question again, as the Chair had difficulty hearing the end of it.

Dr DEAN — I refer the Attorney-General to his comment in the *Age* of 13 May with respect to state funding of legal aid where he said:

Victorian spending has actually increased slightly.

Given that Victoria Legal Aid's own figures and the budget papers show that state funding was \$28.78 million last year and is only \$28.4 million this year, can he now explain to the house how a \$380 000 decrease in state funding for legal aid constitutes a slight increase?

Mr Batchelor — On a point of order, Mr Speaker, my distinct recollection is that two questions were asked. Earlier the honourable member asked a question using one set of figures and when he sought to clarify his question he changed them.

Honourable members interjecting.

The SPEAKER — Order! There is no point of order. The Chair will not hesitate to start using sessional order 10 against any honourable member who interjects again while the Speaker is on his feet.

Mr Loney — On a point of order, Mr Speaker, the honourable member for Berwick was obviously reading from a document. Can he make it available to the house?

The SPEAKER — Order! Was the honourable member quoting from a document?

Dr DEAN — I was reading, Mr Speaker, and I am happy to make the document available.

Mr Brumby — Mr Speaker — —

The SPEAKER — Order! The Chair needs to resolve the point of order raised by the honourable member for Geelong North. The point of order concerned making a document available from which the honourable member quoted. The answer provided by the honourable member for Berwick is that he will make the document available.

Mr HULLS (Attorney-General) — I am not sure which question to answer!

Honourable members interjecting.

Mr HULLS — I can understand the confusion of the honourable member for Berwick because he is quoting from a comment I made on 13 May. We all know what happened on 13 May. That was the day of the Benalla by-election. I can understand how he would be confused about legal aid.

I am glad the honourable member has asked a question about legal aid because it is an issue about which the Bracks government is passionate. I have made it clear to the federal government, which plans to reduce the state government's take of the legal aid cake from 27 per cent to 22 per cent, resulting in a \$5.5 million cut to legal aid, that the state government will meet its responsibilities for legal aid. However, until there is a satisfactory outcome of the federal–state negotiations, it is not prepared to fill a black hole that has been left by the federal government.

It is crucial that Daryl Williams, the federal Attorney-General, understands that the Victorian government is entitled to its fair share of the cake. As I have previously said in the house, Victoria receives the lowest amount of legal aid funding per head of population. Unfortunately, the honourable member for Berwick is unable to appropriately read budget documents about legal aid and state funding, as seen in his confusion over his question. He cannot read budget documents, nor can he read his own question.

As a result of accrual accounting processes in the budget, the legal aid budget has increased by about \$300 000. That \$300 000 increase has been confirmed by the honourable member's first question. I congratulate him on complimenting the government on this increase. However, it is not enough. The increase is only a result of increased overheads for legal aid. There is no effect on service delivery by legal aid in the state budget. However, I agree with the honourable member that it is still not good enough. Legal aid needs more money.

That is why I have taken this strong stance on the provision of legal aid money by the federal government. Victoria wants its fair share and it is not prepared to sign a four-year agreement that will lock Victorian legal aid into a reduction in federal government funds.

GST: petrol excise

Mr SAVAGE (Mildura) — The current excise levied on petrol by the federal government to compensate for the abolition of the franchise fees is 7.9 cents per litre in Victoria and 8.3 cents per litre in other states.

Will the Treasurer advise whether the calculation of Victoria's goods and services tax compensation package so far as it affects petrol will be based on the 8.3 cents per litre, thereby delivering the Victorian government a permanent bonus of 0.4 centres per litre, or 20 cents for every 50 litres?

Mr BRUMBY (Treasurer) — I thank the honourable member for Mildura for his question, the origins of which go back to 1997 and the High Court case about franchise fees and customs excise.

The goods and services tax compensation package paid by the federal government to the states calculates a single amount that comprises a number of different components, including the abolition of revenue replacement payments for alcohol, tobacco and petrol — all three are lumped together. The calculation of the amount is notional only, because it relates to what would have happened if the GST had not been introduced. As the Victorian budget clearly shows, on current estimates of revenue, there will be no benefit to Victoria until 2007–08.

For those reasons it is not possible to be definitive at this stage because there are a number of unresolved factors, chief among which is the federal government's failure at this point in time to set the excise rate for petrol under the GST. I stress that at this stage the federal government has still not set the excise rate under the GST. While the federal government has promised that the price of petrol will not rise post-July, its poor track record in keeping its GST-related promises is of major concern to the Victorian government.

I assure the honourable member for Mildura and the house that the Bracks government will monitor closely the actions of the federal government and the implications of its decisions on state revenues and ensure the interests of all Victorian motorists are properly protected.

Melbourne: council expenditure

Ms BURKE (Pahran) — I refer the Minister for Local Government to the allegations made about Cr Martin Brennan, a Labor member of the Melbourne City Council, who was funded by the council to visit and present a cheque to the International Council for Local Environmental Initiatives in the United States of America — an organisation that pays Cr Brennan's salary. I further refer to the fact that that organisation has won almost \$188 000 worth of council deals in the past six months. Given that other councillors have also questioned the propriety — —

The SPEAKER — Order! Would the honourable member please come to the question.

Ms BURKE — Given that other councillors have also questioned the propriety of those payments, and noting that the council has no inquiry in place, will the minister now conduct an inquiry?

Mr CAMERON (Minister for Local Government) — I congratulate the honourable member for Prahran on the way she read the article from this morning's newspaper, but of course you will appreciate, Mr Speaker, that if anyone seeks a particular inquiry of the government, the proper course is to put forward a case to the government and it will be then looked at.

If the honourable member for Prahran — —

Honourable members interjecting.

Mr CAMERON — I can assure you, Mr Speaker, that the government does not go about conducting an inquiry just because there has been an article in a newspaper.

Port Phillip Prison: deaths

Mr HOWARD (Ballarat East) — I refer the Minister for Corrections to serious concerns raised by the Victorian coroner concerning deaths in custody at a Victorian prison. I ask the minister to inform the house of details of the government's investigations into this matter.

Mr HAERMEYER (Minister for Corrections) — As honourable members are aware, the coroner recently released his report on the deaths in custody at Port Phillip Prison. It is a very sorry and damning indictment of the negligence of the previous government in relation to the way it ran the prison system in this state.

Time and again the former government told us that these problems were not an issue, yet the coroner has now basically vindicated all the criticisms the then opposition made at the time, and in particular those in relation to the hanging points which existed at Port Phillip Prison and which were ticked off — approved — by the former government. Hanging points such as horizontal bars inside the windows of the prison were in complete contravention of any of the lessons learnt as a result of past royal commissions and various other inquiries into deaths in custody.

At the time the report was released I announced that the government would fully implement the coroner's 16 recommendations. The government is now undertaking the task of ensuring that happens. I also indicated that the government would conduct an investigation into the management and operation of the private prisons in this state. I am pleased to announce today both the terms of reference and the chair of the investigation team.

The independent three-person panel will be chaired by Mr Peter Kirby, who was a senior federal public servant before joining the Victorian public service. He is a former secretary of both the Department of Premier and Cabinet and the education department and has undertaken a number of recent reviews into youth suicide and self-harm in Victorian prisons. He comes to the investigation with a very impressive background.

The first term of reference for the investigation is to examine the present legislative and contractual arrangements to determine whether they provide adequate specifications, incentives and accountabilities to achieve an appropriate standard of quality in service provision within private prisons, and recommend additional measures or changes to commercial arrangements where appropriate to ensure quality service provision can be achieved and effectively sustained.

The second term of reference is to examine the contractual framework and individual contractual arrangements to identify opportunities to streamline and simplify contract management arrangements for private prisons with a view to better supporting the effective and timely management of service provision under the contracts including resolving issues such as service profile adjustment, performance shortcomings and emergency situations.

Honourable members interjecting.

Mr HAERMEYER — I am happy to table it. The third term of reference for the investigation is to consider the operation of private prisons in relation to their correctional service performance and examine the adequacy of present arrangements including security management; safety for prisoners, staff and visitors; the adequacy of training; and staffing models.

The final term of reference is to recommend measures to ensure that the Victorian corrections system operates in a more consistent, cohesive and integrated manner particularly in the provision of health services, and risk identification and management, and on prisoner management issues.

Honourable members interjecting.

The SPEAKER — Order! The honourable member for Burwood will cease interjecting.

Honourable members interjecting.

The SPEAKER — Order! The honourable member for Glen Waverley!

Mr HAERMEYER — It is interesting that in the past 15 seconds members opposite have shown more interest in the integrity of our prison system than they demonstrated in seven years!

The investigation will be informed by a review of prison service delivery outcomes currently being undertaken by KPMG and will consult with key stakeholders. The urgency of the situation, the way the prisons are being run and our interest in getting answers as quickly as possible has led the government to ask the investigators to report by the end of September.

The government wants the investigation to tell us how those prisons are being run. I have been less than satisfied with having to default the private women's prison twice in one fortnight. I am convinced that the private prisons in this state have not been delivering good service. The government is keen to ensure that we get better service from the prison service than was provided for in the contracts signed by the previous government. The government is determined to provide prisons that are not only run at the lowest possible cost but also deliver security, safety and good correctional outcomes.

Member for Ivanhoe: conduct

Mr CLARK (Box Hill) — I refer the Premier to the fact that the Government Whip, the member for Ivanhoe, recently sent a letter about planning matters to his constituents on taxpayer-funded parliamentary letterhead. In the letter the member advised constituents that his 'campaign in Ivanhoe is still short of funds' and invited them to buy his Australian Labor Party raffle tickets. What action will the Premier take to address the issue of a member supporting his government blatantly using taxpayers' money to raise funds for the Australian Labor Party?

Honourable members interjecting.

The SPEAKER — Order! The house will come to order.

Mr BRACKS (Premier) — I am not aware of the matters raised by the member for Box Hill.

Honourable members interjecting.

Questions interrupted.

SUSPENSION OF MEMBER

The SPEAKER — Order! Under sessional order 10 I find the conduct of the honourable member for

Polwarth warranting a suspension from the house for 30 minutes. I ask him to leave the chamber.

Honourable member for Polwarth withdrew from chamber.

QUESTIONS WITHOUT NOTICE

Member for Ivanhoe: conduct

Questions resumed.

Mr BRACKS (Premier) — I am unaware of this letter and will raise the matter with the member myself.

Victorian Institute of Teaching

Ms BARKER (Oakleigh) — I refer the Minister for Education to the government's commitment to establishing higher teaching standards across all Victorian schools. Will the minister inform the house of the latest government action to raise standards and revive the status of the teaching profession across Victoria?

Ms DELAHUNTY (Minister for Education) — Outside the family the relationship a child has with the teacher is the most influential of his or her life. Every day we entrust the care and education of our students to 50 000 Victorian teachers. We expect those teachers to provide education for children so that they will be the most creative, adaptable and skilled generation to ever leave our schools.

We must ask ourselves, however, what we are doing to resource and provide support for the teaching profession so that teachers can deliver such rapidly changing education. They have to deal with a diverse student population and — quite rightly — increasing expectations from parents.

It is with great pleasure that I announce today the first step in the formation of the Victorian Institute of Teaching. That institute will be a world-class teaching institute that will provide our teachers with registration, the lifting of qualifications and, most importantly, the best and most accessible professional development we can provide for them in this state, this nation and around the world.

The new institute will address content: the curriculum that teachers must know, and must know how to teach. The institute will foster an understanding of common purpose between parents, the government, employers and the wider community. Standards are important. The profession should have the opportunity to publicly

define what it stands for, and to reach for and maintain the highest standards of behaviour and professional competence.

Qualifications, too, will be central to the task of the Victorian Institute of Teaching. To support the best education we need the highest qualifications, and we must attract and keep the best qualified teachers in the state.

On the matter of accountability, all teachers should and will be accountable for delivering the highest standards in their schools. The government wants the next generation of government schools to put teaching at centre stage, and it seeks from schools and teachers a culture of continuous self-improvement. After seven years of savage attacks on the profession, Mr Speaker — —

Opposition members interjecting.

Ms DELAHUNTY — They have woken up at last!

Opposition members interjecting.

The SPEAKER — Order! The honourable member for Cranbourne!

Ms DELAHUNTY — The Bracks government has done more to revive the teaching profession in seven months than was done in the preceding seven years of attacks on teachers.

Member for Coburg: electorate office hours

Mr PERTON (Doncaster) — I refer the Premier to the office hours of the electorate office of the honourable member for Coburg as outlined on his web site, which indicates that his office is open for only 27 hours a week and is closed to the public every Thursday. I ask whether the Premier will instruct his Parliamentary Secretary for Infrastructure to increase his office hours and open his office to the public on each working day.

Mr BRACKS (Premier) — As that question was being asked I could see denials coming from the honourable member for Coburg. I will be talking to him about this matter. I know the hard work he does on behalf of his electorate and that as a result of that hard work — —

Mr Perton interjected.

Mr BRACKS — Do you have a supplementary question?

The hard work of the honourable member for Coburg has meant that between the 1994 by-election, in which he was the successful candidate, and now, his vote has increased at every election.

Mr Cooper interjected.

The SPEAKER — Order! The honourable member for Mornington!

Mr BRACKS — The honourable member for Coburg now commands one of the largest majorities in any seat in this Parliament. That is a great achievement. He is an excellent member — —

Mr Perton — On the matter of relevance, Mr Speaker, while the Premier is being theatrical in defence of his parliamentary secretary the reality is that the honourable member's own web site discloses that his office is closed to the public on Thursdays and is open for only 27 hours a week. That is the question the Premier should be answering.

The SPEAKER — Order! There is no point of order. It seems to the Chair that it has constantly to remind honourable members, particularly the honourable member for Doncaster, not to use the opportunity of raising a point of order to simply repeat the question. The Premier was being relevant, and I will continue to hear him.

Mr BRACKS — The honourable member for Coburg is one of the best members of the house. He is someone who is active on behalf of his constituents and in his community. If there is a question to be asked in the house about a member, it should be asked about the member sitting two seats over from the honourable member for Doncaster, the honourable member for Hawthorn. He has a mobile office because he would not use the electorate office because it was substandard and not to his liking — that is what he said!

Honourable members interjecting.

Mr BRACKS — The honourable member for Coburg is an active member. I suggest if the honourable member for Doncaster wants to take some action, he need only look a couple of seats over.

Rural Victoria: sewerage

Ms ALLEN (Benalla) — I refer the Minister for Environment and Conservation to the government's commitment to listen to the concerns of country Victorians and ask her to inform the house of the new deal for Victorians in small towns on the cost of sewerage services.

Ms GARBUTT (Minister for Environment and Conservation) — I thank the new member for the question and for her interest in that issue during the Benalla by-election campaign.

Last week I was delighted to announce a new fair deal on sewerage schemes throughout Victoria. I was pleased to read in the Kilmore *Free Press* the shadow minister's praise for the new deal. At a public meeting he said he thought it was a good announcement. I agree with him. I was also pleased that the upper house was unanimous in its agreement with the deal. At the same public meeting the Honourable Graeme Stoney said he was 'very happy with this result'.

It is a good result. It is great news for rural and regional Victoria. Under the previous government people were expected to pay up to \$4000 in up-front fees to connect to sewerage systems — as much as \$4000! It was causing great hardship, anger and distress all around the state. If the previous government had listened it may still have been in government instead of being in opposition.

The government's new fair deal gives the people in small towns an affordable way of paying. People will choose whether to pay either a discounted \$800 up-front fee or \$80 a year for 20 years. In addition, \$4 million will be allocated in financial relief grants to assist people connecting to sewerage systems.

Members of the opposition are now going around the traps saying the government did not put in enough money. They were prepared to send people to the wall by charging up to \$4000, yet they are now saying the government has not put in enough money! They are the ones who sent people to the wall, not the Labor government.

Under the new arrangements people who paid for their schemes up front will get a refund. For example, at Wandong — members of the opposition and the honourable member for Seymour attended the public meeting — people who have paid \$2500 in up-front fees will get a refund of \$1700, and they will get that refund before the end of June.

There is also good news for people in the Benalla electorate. In Marysville and Violet Town the sewerage systems are still being constructed, so the people of those towns are not yet being billed. Under the previous government they were to be charged \$2500. Now they will have the choice of paying \$1800 or \$80 a year for 20 years.

Schemes have not been commenced in two other towns, Porepunkah and Harrietville. Greater public

consultation must take place in those towns. The Environment Protection Authority and local councils will undertake a health and environmental assessment to determine whether sewerage systems are needed in those towns. If they are, and there is community support, the schemes will go ahead but will still be at the low price.

Clearly we have listened to rural and regional Victoria. We have introduced a scheme that makes the cost of connecting sewerage, if it is necessary, absolutely affordable, and we are including public participation and consultation, which the previous government had never heard of.

APPROPRIATION (2000/2001) BILL

Second reading

Debate resumed from 25 May; motion of Mr BRACKS (then Treasurer).

Mr ASHLEY (Bayswater) — It is a pleasure to join the debate today, especially as it follows the debate on the Dairy Bill. Although I did not contribute to debate on that bill, I grew up on a dairy farm. I appreciate the worth of the Dairy Bill and its good intentions and trust that it will return great things in future years to the dairy industry and help to improve the safety of dairy foods in Victoria.

It is appropriate that I contribute to debate on the appropriation legislation after debate on the Dairy Bill because there is a sense in which political parties regard appropriation as the delivery of the milk of human kindness — at least the delivery of political kindness, if not human kindness.

The other tradition that comes into play is that Labor governments particularly have a strong tradition of milking the state dry. Victoria experienced that tradition in the latter years of the Cain and Kirner governments. Victoria then experienced the turnaround years from 1992 to 1999. Whatever mistakes may have been made in that period, they were the innovative years preceding the 21st century that set Victoria up with the finances, the capacity, the will and the motivation to go ahead under whatever government was in power.

I begin by quoting from an article written by Dr David Hayward, the executive director of the Institute for Social Research at Swinburne University of Technology. His article of 10 May states:

Steve Bracks waddled into Parliament on state budget day last week with his trousers stuffed full of Alan Stockdale's stash.

The new government inherited a windfall that has three elements to it. The first windfall was the gain of an unexpected surplus of \$1.3 billion, which has enabled the new government to announce a \$1 billion infrastructure fund to be allocated over four years. That amount is only a 20 per cent increase on what had been available in the past.

The second windfall results from Victoria's past strong economic performance, which will yield additional revenues of \$600 million to \$800 million per annum over the next four years. The third revenue windfall is the benefits of the strong economic management of the commonwealth government in providing between \$110 million and \$160 million per annum of unexpected additional funds.

The danger now faced is that Victoria is confronted with what might be called a prodigal son budget: the younger son has found the treasure chest of the estate overflowing and has decided to go on a spending spree. The government runs the risk of blowing Victoria's inheritance and, with it, Victoria's potential. The government has thrown a degree of caution to the wind and it is spending, instead of consolidating, the fiscal legacy.

The budget soaks up the prospective gains from payroll tax, land taxes and stamp duties of an extra \$530 million. It offers a negative signal to investors. Tax relief for business, which is dependent on the status of the budget surplus, has not been offered for 12 months even though in the previous three years in more difficult budgetary conditions good things were put in place and business was relieved of the heavy burden that it carried in the early part of the decade.

There are no incentives in the budget to create wealth. There are no incentives to grow jobs and, indeed, for Victoria to grow rather than to be grown. That is the kind of sentiment that comes through the budget document. It is the government growing Victoria, not Victoria growing by being relieved of burdens.

The warnings have been sounded by Tony Harris, who has been quoted a couple of times already in this debate. His comments appear in an article in the *Australian Financial Review* of 3 May:

And after the fiscal legacy of the Kennett government has been exhausted, net budget sector debt will actually grow from \$2.8 billion at the end of 2000–01 to \$3.1 billion in 2003–04.

There is worse still to come, and the article continues:

But the budget sector faces a deteriorating cash position.

The \$628 million cash surplus left in 2000–01 will become a deficit of \$135 million by 2003–04.

The warning signs are already there and the danger signals have been flashed.

I turn to the refrains and the sentiment that go through the Premier's speech in budget paper no. 1. This is a case of revisiting the days of old, of governments wanting to do it and willing to do it. For example, it is borne out in the second initiative of establishing the \$1 billion infrastructure fund Growing Victoria. The emphasis is on Victoria being grown, as though the public sector and government can actually do that. It is brought out again in Growing Together. The government is seen to be delivering on a commitment to rebuild rural and regional communities. On page 6 the paper states, in part:

This budget is about a fair share for rural and regional Victoria.

It reverses the years of neglect — —

as though they were really years of neglect —

and it provides the proof that this is a government ready and willing to give regional areas the support they need to unlock their potential and build for the future.

That is the only piece of language suggesting that communities themselves might be able to initiate a bit of their own building and growing.

The sentiment was brought out again yesterday in the speech of the new member for Benalla when she said of industries in her electorate that 'all need constant and positive support'.

The establishment of the Office of Rural Communities suggests that by waving a wand — not necessarily a magic wand — over time the government can grow what otherwise would shrivel and shrink. The sentiments expressed about doing the growing for Victoria are really bits and pieces of old Labor.

I refer to what the Scottish Secretary of State, John Reid, is reported to have said only this week in answer to questions asked in Scotland and throughout the United Kingdom. He makes the point that New Labour, unlike Old Labour, sees civil society as relying on individuals and communities rather than government. Those are issues this government needs to take seriously. A newspaper article reports that Dr Reid said:

... a new civic society based on opportunities and responsibilities can be created only if people and communities look to themselves as much as the state to solve their problems.

The report refers to his view that the state is there to enable rather than to provide jobs, welfare and child care, and refers to him insisting that:

the delivery of the government's —

the British government's —

aspiration of a new civic society depends on a new balance between the individual, the community and the state.

... But the crucial point is that government cannot 'make' that civic society. We have to accept that there is a limit to what the state can do. The state cannot do everything.

Only individuals and communities can create it. The role of the government is necessarily limited. The most it can and should do is create the conditions in which civic society can flourish.

The report refers to his view that the left have got it wrong and to Dr Reid's quoting Keir Hardie, the founder of the Labour Party, who is reported to have said:

Socialism is not help from the outside in the form of state help, it is the people themselves acting through their organisation, regulating their own affairs.

The report also refers to Dr Reid applauding the pullback from the welfare state in Britain over the past 50 years and blaming the welfare state for the substitution of communities by the state. It quotes him as saying:

Whitehall —

or Westminster, using the other word —

knows best supplanted the voice and knowledge of local people and local communities. As the welfare state got larger, so the state increasingly became a replacement for communities.

He further says:

... We have spent more than half a century equating the state with compassion, believing that if there is a social need, government should meet it. Any retreat from public provision is immediately condemned as a betrayal of government's sacred obligation to protect the weak.

That is the kind of rhetoric that the government has been throwing at the opposition for its work over the past seven years, when much of it, through difficult times, was in an endeavour to enable and empower local communities to undertake the rebuilding that the government could not do alone. Mistakes were made, but some of them were made because the Kennett government did not go the whole hog.

Alvin Toffler, as reported in the *Australian Municipal Journal* of September 1980 — so it is 20 years old — states:

The structure of government is outmoded. The existing political system is swamped by the new diversity because it was designed for a far more uniform society. It cannot cope with the demassified millions.

...

Government bureaucracies for example are huge factories designed to pump out uniform, standardised services. When consumers become diverse, business begins to offer a wider variety of products to serve their needs, but government is less responsive to diversity — so many government programs are turning out mass services for a demassified public.

Professor Sloan has alerted us to where certain mistakes were made by the Kennett government. They related to areas where an effort was made to make one system fit all. That was particularly true in rural areas and in rural councils, where the one size fits all system was resented by rural communities.

Professor Sloan also said that compulsory competitive tendering was aimed at improving local government business but often backfired in small local communities because they saw the contracting-out process going to outsiders rather than to members of their own communities. She suggests that schemes such as the \$1.8 billion national dairy compensation package are, in part, the way to go when one is trying to bed down change in diversifying communities or in communities that need to diversify and take on new challenges. In her article Professor Sloan went on to applaud the previous government for its work in a number of areas including the reduction of overservicing. She states:

I am loath to think that government spending is the answer.

I return to the theme I am pushing:

We have been to areas —

that is, in rural Australia —

which have way too much infrastructure — roads and schools which are obviously under-utilised.

She then made the point that many of the things happening in rural and regional Australia were the result of long-term changes and a long-term decline in various rural industries and that it was through those processes that communities were changing, with some retreating and certain country areas and cities growing.

I wish to put in context the \$170 million infrastructure fund and make the point that unfortunately it is a bit of bright-eyed, bushy-tailed — —

Mr Nardella — A possum!

Mr ASHLEY — Indeed. It is the government daring to stare its mission impossible in the face. I say that not because I wish to decry its efforts in trying to pull things together where they have fallen apart in rural Victoria, but to make the point that when a country the size of Scotland with a population about the size of Victoria derives \$1.5 billion a year from the common agricultural policy — not including the remote regional funds it receives from the European remote regions policy — it is impossible to stack up \$150 million against that kind of bankrolling.

However, with all that money flowing into British agriculture the agriculture minister, Nick Brown, said that the combination of factors and trends was absolutely remorseless, including a decline in total numbers involved in agriculture and an increase in the size of farm businesses.

He went on to say that the government would do its best to assist small and medium-size farm businesses to maintain a range of income strings. Again, he was trying to get farmers to diversify their farming practices and industries because the products were too costly to land on the table. Some \$600 for every man, woman and child in the United Kingdom is going into agricultural subsidies. Those are the things that are damning and destroying Australia's rural industries.

It is a long road from \$150 million to \$1.5 billion. Despite that people in the United Kingdom and Scotland are so out of sorts that this week a Countryside Party is being launched in the United Kingdom. According to an article in the *Glasgow Herald*, the party has been formed to fight for:

... the rights and traditions of country people. Politicians are overlooking the interests of voters in rural areas.

It is the same theme we have in Victoria. Yet it is a theme coming out of being backed by more than \$1 billion in funding every year. No state government can hope to cope with that. It is for that reason the government has to take seriously the advice of Elizabeth Proust when she says that if the sentiment or the push goes further and becomes anti-Melbourne or anti-city and that is translated into government investment decisions and attitudes towards the city it will be to the detriment of rural and regional Victoria in particular because the city of Melbourne is the engine.

An Honourable Member — Regional Victoria is the toenail!

Mr ASHLEY — No, it is not. The Labor budget is growing parts of Victoria and force-feeding other parts, but it is neglecting the biggest region, the outer east of Melbourne, which has a population in excess of Adelaide. The area does not have the road infrastructure or hospitals it needs. Adelaide has seven public hospitals but Melbourne's outer east has three, and it has lost the planned Knox hospital. The outer east cannot get sufficient money to extend the freeway to Ringwood and the government is failing to do anything about the Ringwood railway station. Currently hardly anything is going into education beyond the boundaries of the electorate of Mitcham. Spending has come to an end at the boundary of the Mitcham electorate.

Mr SEITZ (Keilor) — I congratulate the Premier on the budget he presented in his former additional role of Treasurer. It a pleasure to speak about a Labor government budget, and particularly a Bracks government budget. It is a responsible financial document that will promote growth across the whole of Victoria. It will deliver improved services and restore democracy for Victorians; something the opposition forgot about when it was in government. Given what is happening in Fiji, democracy should be cherished and guarded.

I have great pleasure supporting the budget because it takes care of the neglect of seven years of Kennett government. The now opposition says there is selective spending, but it is spending on a needs basis. Mr Acting Speaker, you know I would have loved to have been able to get an allocation for improvements to the St Albans railway station from the former government. However, although I lobbied over a long period I failed to get any assistance because the money was spent in your electorate. There should be no more talk about the Labor budget being discriminatory because during the seven years of the Kennett government no money was spent in my electorate.

I am sure the traders and local community in my area would like the situation remedied. Even the Royal Automobile Club of Victoria has said that the St Albans railway station has the greatest problems of any station in the state. I am pleased that the Minister for Transport will fund a study that was promised by the previous Minister for Transport, the honourable member for Mornington, in an attempt to address the problems with the St Albans level crossing and the traffic flow in the vicinity.

I am grateful to the Minister for Transport for honouring the promises made by the previous government for which the money was never delivered. Signs were erected telling us that the roads would be

duplicated, but the money was never forthcoming. The duplication of Sunshine Avenue was a project commended by the community and the committee lobbying for that project. I congratulate the committee, led by an honourable member representing Dousta Galla Province in the other place, the Minister for Industrial Relations, on a job well done. The Minister for Transport has provided deadlines for the signing of the contract and the start of construction work. The project will provide a crucial link of roadways to service the City of Brimbank and beyond.

I refer to the Keilor–Melton Highway. I recall that in the lead-up to the 1992 election the local media photographed me standing in the area. The previous Labor government had made a commitment to carry out the works. Again, the money disappeared with the change of government and the project did not go ahead. The work on that project will now be carried out rather than just promised. It took a Labor government to put in the money.

Further, funds were allocated in the 1992 budget for the construction of a railway line to Sydenham. Once again the money disappeared because it was put into the eastern suburbs. The money was not allocated on a needs basis. Decisions were made under the federal Better Cities program and money had been allocated to the state to carry out that work.

We saw crocodile tears from the honourable member for Bayswater. He said very little about his own electorate but talked about everything else. I continue to lobby and work with my colleagues in the western suburbs, the honourable members for Melton, Tullamarine and Sunshine, to improve the local education facilities. A new college will be built in Sydenham, which will be an extension of Copperfield College, which has a junior campus in the Kings Park estate. The completion of the Sydenham campus has been a long time coming, and I have been working on it for eight years. It took a Labor government to service the needs of the community by providing educational facilities. Those facilities are of vital importance in the growth area of the Keilor–Melton corridor. I have submitted numerous papers and essays on the potential of that growth area.

The western suburbs need more infrastructure. The Minister for Police and Emergency Services has committed to building a new fire station to provide services in the area from Taylors Lakes to the boundary covered by the Metropolitan Fire Brigade, which is positive action. Those projects lead not only to services being provided but to the creation of jobs. That is of vital importance to the community because the supply

of goods and services in the area will increase. The federal government tried to blame the victims of the unemployment levels by saying that St Albans is the welfare capital of Victoria. The Bracks government does not blame the victims but tries to take a step forward in a positive way by delivering jobs through construction projects and servicing ongoing infrastructure.

Housing is another important issue for the government. In the City of Brimbank 96 public housing facilities will be purchased from a budget allocation for the area to service the needs of the community, which has a high migrant intake.

I am conscious of the time available to contribute to the debate. However, I turn to health care. The Sunshine Hospital will be extended at a cost of \$8 million to reduce waiting lists and reinstate the dental service that existed under the previous Labor government. The service was cut back by the Kennett government. Low-income people and students need that service in the area. Under the Whitlam Labor government the western suburbs was the first area where a dental unit was built. Over the years that service has diminished. The budget goes a long way to restoring services.

Funding has been increased to support multiculturalism, not the rhetoric of the former government, which would hand out only \$200 and expect people to survive for 12 months and also expect them to be grateful. I commend the budget and congratulate the Premier and Treasurer.

Mr THOMPSON (Sandringham) — During the reply to the budget the Leader of the Opposition made the point that was drawn from the *Australian* newspaper that the Bracks Labor government would be spending the financial legacy of the Kennett coalition government years rather than building upon it.

What has been the financial inheritance of the current Bracks Labor government from the former coalition government's seven years in office? Employment in Victoria reached its highest level in state history in 1999, with almost 300 000 more jobs over and above 1992 levels. The unemployment rate fell to a record low of 6.8 per cent at the end of its term, well below the national average of 7.21 per cent, having fallen from more than 11 per cent under the last ALP government.

Victoria was adjudged to be Australia's fastest growing state in economic growth. It has the highest business expenditure on research and development of any Australian state. One of the most important matters in this context is building an economy based upon future

growth potential rather than spending existing resources. I am reminded of the words often quoted by me in this chamber of Sir Arvi Parbo when he noted that:

A worthwhile society must be underpinned by a prosperous economic base.

James Carter, the British scientist, noted:

In recent years there tended to be a bias against wealth creation in favour of so-called socially significant activity but which ironically depend for their support in the first place upon wealth creation.

It is in that context of wealth creation that research and development is an important area of economic activity. In the arena of manufacture and export, manufacturing turnover was at a record high level in Victoria and now outpaces the rate in New South Wales. The value of state exports has almost doubled from 1991–92 levels. The value of new building approvals is at double 1992 levels, supported by high levels of private capital expenditure. One has only to look at the range of private and public sector projects that were initiated over the past seven years, such as the new museum, the new library, roadworks, the City Link connection, the Melbourne Sports and Aquatic Centre, the Jolimont redevelopment, the National Tennis Centre redevelopment, the railyard development and the Docklands development to see that is the case.

Consumer confidence at the time the former government was in office was at a record level of retail turnover, and the number of vehicle registrations reflect the healthy level of economic activity in Victoria.

I was intrigued by a document handed to me recently entitled 'The Premier's Sports Stars Luncheon 2000', proudly presented by Progressive Business. It features notice of a Labor Party function at the Palladium ballroom at the casino at \$150 per person, or one could become a member of Progressive Business at \$650 a head.

I would be interested to know how many memberships the Australian Labor Party will be attracting for the company Progressive Business from country Victoria — with luck I might have more details on Progressive Business by the end of my speech.

Crown Casino is one of the sponsors of the ALP fundraising function. I remember a few years ago it was said that certain transactions smelt like a dead cat in the middle of the road. I assume the dead cat has been taken back to the Trades Hall Council for a rest to be brought out the next time the politics of convenience may be brought into debates about wider issues of

principle. There has been a smear of the facts in terms of what will build and strengthen economic growth in Victoria in the longer term.

What are economic commentators saying about the current state of Victoria? The National Australia Bank (NAB) survey indicates a decline of consumer and investor confidence in the state. The Victorian Employers Chamber of Commerce and Industry (VECCI) survey recently undertaken noted a decline of 43 per cent who felt positive about Victoria's business prospects down to a figure of 19 per cent before Christmas. Dr Ed Shann of Access Economics indicated that business confidence has fallen; and the Yellow Pages survey showed that only 6 per cent of its respondents' suggested policies would be good for Victorian small business. These are not good indicators of what will take place in Victoria in the days ahead.

In December the *Australian* pointed out that the Kennett government had gone out on top, and said:

Its expansion encompassed bread and circuses: retailing, construction, finance and business services, culture and recreation.

According to Ian Henderson, the *Australian* economics correspondent, in terms of living standards the citizens of Victoria:

... are now 26 per cent better off than they were in 1991–92 — the fastest per capita income growth rate in the nation.

New South Wales was a fair way behind.

The ACTING SPEAKER (Mr Lupton) — Order! I welcome the honourable member for Polwarth back into the chamber.

Mr THOMPSON — I was just getting to the Otway Ranges and pointing out that the residents there have benefited from the good government in Victoria over the last seven years, especially with the export focus of agriculture, dairy production and cheese production: Victoria had reached record levels of dairy export. I am sure the honourable member for Polwarth, which takes in Colac, will be pleased with the growth that has taken place in the agricultural sector of his electorate.

Some weeks ago I attended a function at the Danish Club in Beaconsfield Parade, Middle Park, for the opening of a new section of the building. I learnt the history of the club: formerly representatives of the Scandinavian countries — the Swedes, the Norwegians and the Danes — shared the one building in the city. They sold the city investment property and divided the

proceeds among the three communities. Apparently the Swedes used the proceeds to build a church in Melbourne; the Norwegians used the money to build a home for sailors who were down on their luck; and the Danes used the money to hold a party. Essentially the parallel can be drawn with what will take place in Victoria over the next few years — the incumbent government will be having a party with the funds raised through the diligence and prudence of governments of yesteryear. In this case the difference is it will not spend its own money, but the money raised by Victorians.

Taking into account the record levels of employment, investment growth, export, and migration into Victoria it is not unexpected that the former Premier assumed the title of patron saint of the trade union movement — which is appropriate, considering that between 1992 and 1999 workers were never out of work.

It is interesting to hear the mantra from the other side. However, the picture we encountered in 1992 was a current account deficit of some \$2 billion; a state debt that grew to \$33 billion shortly after we came to office; and an unfunded superannuation liability of \$19 billion. At that time there was record migration from Victoria. If one visited government-funded facilities one could observe schools that were badly resourced. In 1992–93 I visited schools both in my electorate and the electorate of the honourable member for Coburg. I was appalled to observe that after 10 years of Labor administration there were holes in the walls, buildings were badly in need of renovation and painting, spouting had rusted and buildings were generally in a bad state of disrepair. The statistic of a \$600 million maintenance backlog in the education department budget became more clearly manifest.

In my electorate, the Sandringham hospital had been mooted as a site for closure and a reduction in the number of its services under the former health minister, Maureen Lyster. In 1988 a new police station in Sandringham had been promised by the then Labor government. However, if the honourable members for Springvale, Oakleigh and Carrum were to visit the electorate of Sandringham today to see what happened to the police station in Abbott Street — a landmark election promise in the 1988 Sandringham campaign — they would find no new police station there.

Mr Holding interjected.

Mr THOMPSON — The honourable member for Springvale said, ‘Don’t start’, but I can assure him we are only just beginning. That was an example of a failed election promise by the former failed Labor government.

It is important to understand that in terms of the economic development of Victoria, increases in business inputs have a direct and proportionate correlation on business growth and investment. It might be said that Australia is not necessarily the first natural choice for investment, nor is Victoria. We compete with other states and other countries. Unless Victoria is competitive in its service delivery by government and the private sector of infrastructure, transportation, road networks, power, local government charges, and the wider range of government charges including Workcover and indirect impost on business such as payroll tax, it will be in a difficult position when competing against other states.

That position can be expanded by referring to the proposal by Virgin Airlines to invest in Australia. The Premier was the only mainland Premier to directly negotiate with Virgin Airlines. What happened to those negotiations?

Mr Wilson interjected.

Mr THOMPSON — The honourable member for Bennettswood says, by interjection, ‘They fell out of the air’. Virgin Airlines established its base of operation in another state.

Other examples of a slowdown in investment include: A. V. Jennings pulling out of seven regional centres in Victoria; and Bonlac closing its operations in a number of provincial centres. That is indicative of a decline in confidence that has been referred to not only by opposition members but also by National Australia Bank, Victorian Employers Chamber of Commerce and Industry, Yellow Pages, and Ed Shann of Access Economics. It is a sad trend for Victoria. It is important that effective reforms be undertaken.

The government made a commitment to reduce payroll tax, but reductions are contingent upon a number of other factors and it remains to be seen whether they will eventuate.

The Labor government’s election promise that it would achieve an unemployment rate of 5 per cent was subsequently endorsed by the honourable member for Altona. Currently that target has been revised to 6 per cent — the Labor government is backing away from an election promise! I am not sure that there is a full level of openness, accountability and transparency in its governing.

I refer to my electorate of Sandringham and the initiatives that have been embarked upon in recent times. I am pleased to see that the current budget provides \$890 000 to assist the Sandringham Primary

School in its master plan upgrade and redevelopment. The school began the planning process a number of years ago, and under the leadership of Helen Worlidge as principal, Laureen Walton as vice-principal and its school council president and architect Jon Duggan will see a project that has been on the drawing board for a number of years come to fruition.

The future of the Sandringham police station is not clear. The police officers have remained in rented accommodation in Hampton since November 1992 because of the failure of the previous Labor government to meet an election promise. The local community and a number of honourable members have been working closely on the issue over some time — —

Mr Haermeyer — It's the first time in seven years you've raised it.

Mr THOMPSON — The Minister for Police and Emergency Services has interjected about the Sandringham police station. I can assure him that that matter has been raised in this chamber on a number of occasions and he need only search *Hansard* to find them. He may not realise that it was a 1988 election promise by the previous Labor government, but if he is able to fulfil that promise in 2000–01 he would be most welcome in the Sandringham electorate.

In the past seven years, events such as the world yachting championships, the President's Cup and a number of Sail Melbourne yachting regattas saw an influx of people from overseas which increased the level of local tourism in my electorate.

Local businesses such as Leigh Mardon, Brickwood Holdings, Ronstan and TED Engineering Australia make a significant and important economic contribution to employment both in the electorate and in Victoria. The former coalition government contributed significant funds for beach renourishment, kindergartens and increased investment for the Sandringham hospital. In Sandringham the performance of this government over the next three years will be measured against the contribution of the former coalition government in days gone by.

I conclude where I began today. The *Australian* newspaper has taken the view that the current government will be spending the financial legacy of the Kennett years rather than building upon it. I look forward to measuring its performance in the days ahead.

Mr HOLDING (Springvale) — A very important part of the budget is that public moneys are expended

for purposes consistent with their appropriation. That is a fundamental component of public accountability and of the Labor government's budgetary process. If that process is to have integrity and transparency it is important that public moneys are spent in accordance with their allocation.

During question time today I noted with a great deal of disappointment that members of the opposition made various allegations about the use and, in their words, abuse of parliamentary resources by various members of the government. I thought it would be appropriate to use this opportunity during the appropriation debate to see whether the moneys appropriated by the Parliament and expended by Liberal and National Party members for the maintenance and promotion of their electorate offices are being used in accordance with the guidelines and standards which members set through the questions they ask.

The first matter concerns an honourable member for Waverley Province in another place, the Honourable Andrew Brideson. For the information of the house, I have documents that were put out during the last federal election campaign in his parliamentary envelopes, and put through his franking machine, dated 14 September 1998 — —

Mr McArthur — On a point of order, Mr Acting Speaker, I direct your attention to the rule of anticipation and point out that we are currently debating the Appropriation (2000/2001) Bill and not the parliamentary appropriation. The Appropriation (Parliament 2000/2001) Bill is on the notice paper and will be debated next week.

I put to you, Sir, that the matter the honourable member for Springvale is now raising would be more appropriately dealt with during the debate on the parliamentary appropriation, which covers the costs of electorate offices and the expenses of the Parliament. I suggest therefore that the honourable member is breaching the rule of anticipation and should restrain himself until next week, when he will have that opportunity.

Mr Haermeyer — On the point of order, the appropriation debate is generally a fairly wide-ranging and free-flowing debate in which these types of spurious points of order are generally not entertained. This matter clearly goes to the expenditure of the state and it is totally appropriate for the honourable member to be raising this matter in the context of this debate. I can certainly understand the concern of the honourable member for Monbulk: he does not want to hear what may be coming out because it exposes some hypocrisy

on the other side. At the same time, if these sorts of points of order are to be raised during the appropriation debate it may be necessary to call other members into line.

Mr Acting Speaker, it has generally been upheld by Speakers that any matter that broadly comes under the heading of appropriation is appropriate to be debated in the appropriation debate. All sorts of matters have been raised during this debate which do not relate to the expenditure of even 1 cent. In the spirit of the openness of the debate and to be consistent with the way previous contributors to the debate have been treated, it is entirely appropriate that the honourable member for Springvale be able to continue his speech.

Ms Asher — On the point of order, the honourable member for Monbulk made it very clear that the basis of his point of order was one of anticipation rather than relevance. If one examines the notice papers one sees that for many years the practice has been to separate the appropriation debate from the debate on the appropriation of the Parliament to allow members of Parliament the opportunity to debate the parliamentary appropriation. Indeed, the honourable member for Springvale prefaced his remarks by saying clearly that he wished to make some comments regarding the parliamentary appropriation.

The Appropriation (Parliament 2000/2001) Bill is order of the day no. 13 on the notice paper and will be debated later. The member for Monbulk was clear that his point of order was about anticipation. The member for Springvale is anticipating debate on the Appropriation (Parliament 2000/2001) Bill and I urge you, Mr Acting Speaker, to rule him out of order.

Mr Lenders — On the same point of order, Mr Acting Speaker, I first ask you to stop the clock as this frivolous point of order is taking up the time available to the honourable member for Springvale.

On anticipation, I direct the attention of members and particularly the shadow Treasurer, to budget paper no. 2 which makes numerous references to the appropriations for the Parliament including one on each of pages 56 and 57. The expenditure for the Parliament is mentioned constantly in budget paper no. 2, which provides appropriation for the bill before the house. The anticipation rule does not apply. It is a frivolous point of order to deny the member his time to speak.

The ACTING SPEAKER (Mr Lupton) — Order! I have heard enough on the point of order. I have taken advice that we are discussing the appropriation for the state of Victoria. The matter raised by the member for

Springvale relates to expenditure of part A of a member's budget allowance and that is part of the parliamentary appropriation. I uphold the point of order.

Mr Hulls — Mr Acting Speaker, on another point of order — —

The ACTING SPEAKER (Mr Lupton) — Order! Stop the clock.

Mr Hulls — A question was asked today and Mr Speaker made no ruling about that question anticipating debate. I seek clarification as there seems to be two interpretations, one by Mr Speaker and another by you, Mr Acting Speaker. Mr Speaker today allowed a question in the full knowledge that debate was about to begin on the second appropriation bill. Mr Speaker did not rule that to be in anticipation but you, Mr Acting Speaker, have now so ruled. For consistency I seek some clarification about your ruling as opposed to Mr Speaker's ruling.

Mr Maclellan — On the same point of order — —

The ACTING SPEAKER (Mr Lupton) — This is very interesting.

Mr Maclellan — The rule of anticipation applies to debate and not to questions. It has always been the rule in this Parliament that it is possible for members to ask questions which seek factual answers from minister, hard though it is to get those answers at times. The rule of anticipation applies to raising matters during debate.

Mrs Peulich — On the same point of order, Mr Acting Speaker, standing order 121 provides:

Questions may be put to Ministers of the Crown relative to public affairs, and to other Members relating to any Bill, motion or other public matter connected with the business of the House in which such Members may be concerned, in accordance with the following Standing Orders.

Therefore, I suggest you, Mr Acting Speaker, rule the second point of order out of order.

The ACTING SPEAKER (Mr Lupton) — Order! The matter the Attorney-General raised in his point of order related to question time when the Premier was asked a question and answered that he would have the matter investigated. There is no point of order.

Mr HOLDING — Thank you for that ruling, Mr Acting Speaker. Perhaps we will have to wait for another day to deal with the offices of the Honourable Andrew Brideson, Mr Geoff Leigh, Mr Wayne Phillips, Mr Robert Clark, Ms Inga Peulich — —

Mrs Peulich — On a point of order, Mr Acting Speaker, the member for Springvale could at least get the pronunciation of my name right. He represents a multicultural electorate and should make a bit more of an effort.

The ACTING SPEAKER (Mr Lupton) — Order! Thank you for your clarification. There is no point of order.

Mr HOLDING — I am sorry.

We will have to wait for another day to hear about the abuse by the members for Bentleigh and South Barwon, and the former member for Tullamarine — —

The ACTING SPEAKER (Mr Lupton) — Order! I remind the honourable member for Springvale that my ruling was that we will wait for another day. He should come back to the bill.

Mr HOLDING — I refer to the aspects of the Appropriation (2000/2001) Bill that deal with untied capital grants or transfer payments from the commonwealth to the state of Victoria and other states and the mechanism for determining how those moneys are delivered.

We should look again at our federal system to see whether it serves us well. I support the federal system; it reflects both the historical growth of Australia and the fact that our urban centres — and the regions surrounding them — are geographically separate and diverse. A federal system is the form of government most likely to provide a unified yet diverse mode of government.

It must be said, however, that other federal systems such as the United States, Canada, Germany and Belgium have much stronger federal institutions than Australia does. Indeed, one would be hard pressed to find another country where the federal institutions are as weak as they are in Australia. Australia has, for example, an extremely powerful Senate — probably the most powerful upper house of any Parliament in the world, with legislative responsibility almost commensurate with that of the House of Representatives.

It has powers in relation to supply and has effectively blocked and frustrated democratically elected governments in the past. Yet it has never acted as an effective states' house or an effective house of review. Rather, it has operated as a party-political chamber with the various senators from the various states adopting party-political hues when they arrive in Canberra.

The Interstate Commission envisaged by section 101 of the Australian Constitution has rarely existed since Federation, and when it has existed it has not been an effective federal mechanism. Further, the fiscal arrangements, on which I will focus, leave the states of Australia in a more parlous and precarious financial position than the interstate and federal–state arrangements of any other federation in the world.

I believe Australians want to live in a country that has a strong central government with the legislative and financial capacity to tackle issues of national importance. Equally, however, Australians expect that state and local government will remain free to make policy decisions on those issues for which there is no overriding imperative for a uniform policy for the entire nation.

Vertical fiscal imbalance is the situation in which the commonwealth collects the vast majority of public revenues and the states retain the vast majority of expenditure functions. Australia has vertical fiscal imbalance, and as a consequence state budgets are overly and unduly reliant on transfer payments and grants in various forms from the federal government. More than 40 per cent of state budget revenues are currently derived from transfer payments from various commonwealth government grants, and I understand the percentage will rise to about 55 per cent following the introduction of the goods and services tax and the abolition of the various state taxing arrangements as part of that taxation package.

The total of untied grants is determined at the annual Premiers Conference. The distribution of those grants, however, is a function of the Commonwealth Grants Commission, which was established in 1933. That commission has established a formula for ensuring application of the principle of horizontal fiscal equalisation. That principle means that the states and regions that are less well off or have a less secure resource base should be subsidised by the states and regions in which the resource base is stronger or in which the needs are not as great.

I refer honourable members to page 4 of a 1999 report by the Commonwealth Grants Commission on general grant relativities, on which it provides a description of how the Commonwealth Grants Commission achieves horizontal fiscal equalisation. The formula, as expressed on page 4, is:

State governments should receive funding from the commonwealth such that, if each made the same effort to raise revenue from its own sources and operated at the same level of efficiency, each would have the capacity to provide services at the same standard.

I strongly support the purposes of equalisation. I recognise that states and territories have different capacities to raise revenue and that they face different costs in providing services to the same standard for their citizens. The Northern Territory would not survive without equalisation, and Tasmania and South Australia would be severely compromised if differential grants were not provided.

The Bracks Labor government rejects the notion that Australians who live in the regions should be punished in some way because of the high relative costs of servicing those regions.

The government rejects the view promoted by the federal Liberal member for Parramatta, Mr Ross Cameron, who was quoted in the *Age* of 17 March as saying that debate in regional Australia has been overtaken by a nostalgic minority who refused to accept change and relied on welfare to solve their problems.

That is a direct quote. He was also quoted as saying that living in the country was a choice and that the pay-off for cheap housing and peace and quiet was reduced service levels. That is what the member for Parramatta in the House of Representatives had to say. He said that living in country regions was a choice and that as a consequence of the benefits of cheap housing country people should expect a reduced level of service.

I am happy to inform honourable members that the Bracks Labor government rejects that narrow view. We support measures that ensure that all Australians have access to quality services regardless of which region or state they live in and regardless of whether they live in a territory such as the Northern Territory, where the costs of service provision are astronomically high compared with the costs in states such as Victoria, where they are relatively low.

However, the tolerance of the states that in net terms subsidise the smaller states is not boundless. For the first time in Australian history Victoria will be paying a greater subsidy to the other states in absolute terms than any other state in the commonwealth. As chapter 6 of budget paper no. 2 shows, Victoria will subsidise other states to the tune of \$847 million in the next financial year. New South Wales will subsidise other states to the tune of \$838 million, so for the first time since Federation Victoria will in absolute terms be subsidising states other than New South Wales or Western Australia to a greater degree than any other state in the commonwealth, including New South Wales. Victoria's subsidy amounts to \$177 per person, compared with \$129 per capita for New South Wales

and \$94 for Western Australia. Those three states now subsidise the rest of Australia.

I must say I find subsidising Queensland particularly galling, given that Queenslanders whinged about referee Harrigan's ruling in the recent rugby contest. It is particularly frustrating for Victorians who had the misfortune to read in the newspapers a letter written by the Premier of Queensland calling on businesses in Victoria to relocate to Queensland because of Queensland's ability to, and I quote, 'help your business grow'. What does that mean?

I direct the attention of the honourable member to the Australian Bureau of Statistics figures, which show that in the 1999–2000 year Victoria's per capita taxation was \$1993 per person whereas Queensland's was \$1369 — the lowest in the commonwealth. Victorians are subsidising the rest of the country to the tune of \$177 per Victorian or, in absolute terms, \$847 million compared to \$838 million in New South Wales.

Queenslanders promote their so-called low tax environment in Victorian newspapers, presumably at the expense of Victorians, but are still willing to accept, through the Commonwealth Grants Commission process and through horizontal fiscal equalisation, grants from moneys raised by Victorian citizens. Major deficiencies exist in the Commonwealth Grants Commission formula. The equalisation process focuses on capacity, not performance; revenue capacity, not actual revenue effort; and level of service capacity rather than the actual level of service provided.

I do not believe Victorians object to subsidising a state that is facing long-term decline, such as Tasmania, or a territory with high service costs, such as the Northern Territory. However, in each instance it is not unreasonable to expect that states being subsidised make an effort to raise taxes in accordance with the real capacities of their populations to provide service levels at the standards envisaged by the Commonwealth Grants Commission formula.

In relation to the revenue-raising effort, as I demonstrated through the provision of the ABS statistics, by any objective measure the Queensland government is not acting in that way. Such problems will always exist in a federation where revenue raising is dominated by one sphere of government and the responsibility for expenditure by another. It is not the express words of the constitution that are to blame; rather the various political solutions developed over time to respond to the issue.

Mr McINTOSH (Kew) — Despite the Bracks government having inherited a significant economic legacy from the previous government, its programs are poorly planned. I will describe how they impact on the people in the electorate of Kew.

I am disappointed that the Minister for Police and Emergency Services has decamped from this place. Shortly after the last election, when he was still officially the shadow minister, he stood up in front of the Kew police station and made an impassioned speech about the Dickensian condition of that station, despite the fact that the previous government had allocated \$7 million to address the issue of policing in the City of Boroondara, of which Kew is part.

At the time he was no doubt aware of just how bad conditions were at that police station. It is a Dickensian building. The police work there in cramped conditions, and their change rooms and bathroom facilities are poor — similar to the conditions in Parliament House!

Despite that situation, the then shadow minister went from bungle to bungle. He stood up at the meeting and said he would do something about it, that the Kew police station would not close. It has not closed, but he has taken the line of least resistance — he is doing nothing about it.

Back in November I asked him what plans he had for policing in Kew, and he said he would be making an announcement shortly. No firm commitment was given despite the fact that many of the people complaining about police stations, including people from Labor-held seats, gave concrete examples of conditions at Kew. That incident is particularly bizarre, given that earlier in the year I picked up the budget estimates and found that Kew will not get a police station but a prison, to be shared between Kew and Hawthorn!

Debate interrupted pursuant to sessional orders.

The ACTING SPEAKER (Mr Lupton) — Order! Under sessional orders I am required to interrupt the contribution of the honourable member for Kew, who will get the call the next time the bill is debated.

DAIRY BILL

Second reading

Debate resumed from earlier this day; motion of Mr HAMILTON (Minister for Agriculture).

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

APPROPRIATION (2000/2001) BILL

Second reading

Debate resumed.

Debate adjourned by leave on motion of Mr BRUMBY (Treasurer).

Debate adjourned until next day.

INFORMATION PRIVACY BILL

Second reading

Mr BRUMBY (Minister for State and Regional Development) — I move:

That this bill be now read a second time.

Last November I announced in this house the government's Connecting Victoria policy that aims to grow the information and communications technology industries and ensure that the benefits of technology are shared by all Victorians. This goal can only be achieved in a regulatory environment that recognises how these technologies are changing the way we live and accommodates the fact that further change is likely.

These changes are considerable in terms of personal and business life and regional and community development. For the most part new technologies are bringing great benefits — in the way we work, live and relate to one another. These benefits have to be considered against the potential for technology to be used for undesirable or intrusive purposes.

Community concerns about the implications that new technologies have on privacy and security bear this out. This is not a new phenomenon. Surveys of community attitudes to privacy over the past 10 years show that Australians believe their privacy is diminishing and they are becoming increasingly concerned by this trend. A Roy Morgan survey last year found that close to 6 in 10 Victorians are concerned about the role of new information technologies that potentially invade their privacy. These statistics mirror the national average. The concern is understandable. Over the last five years technology has created the capacity to compile, manipulate and match data on a scale that was inconceivable 20 years ago.

The protection afforded to privacy is a key aspect of the democratic balance between governments, business and individuals. Communities which compromise on privacy compromise on freedom. This creates an environment of mistrust and caution in which citizens are unwilling to volunteer information and the free flow of information is hindered.

In addition, governments should not, on the one hand, champion the benefits of electronic commerce and develop an increasing range of online public services and, on the other, offer no new protection in that environment. Similarly, governments should not urge consumers and businesses to embrace new technology and electronic commerce and ignore the dangers that also attend their use.

Until a culture is established which recognises and responds to privacy concerns, Victorians will not take full advantage of the considerable benefits that new information and communications technologies have to offer. By the same token, those entities that need to collect and use information about people should be able to do so confidently and within a framework that facilitates the exchange of information in a transparent and responsible manner.

The introduction of the Information Privacy Bill will contribute to the creation of that culture. It will protect the privacy of Victorians by giving people an assurance that only the minimum amount of personal information will be collected and that it will be held securely and used responsibly. It will give agencies and departments of the Victorian government the framework for responsible information management and it will help revive democratic processes and values in this state.

This bill is one of three government initiatives to address privacy and security concerns through legislative reform. The Electronic Transactions Act, introduced in April this year, and legislation regulating the handling of health information complement it.

The Electronic Transactions Act's primary objective is to promote business and consumer confidence in electronic commerce. It does this by removing legal obstacles and placing electronic and paper transactions on the same legal footing. The proposed health records legislation will ensure that health information is accorded the specialised and high standard of protection that it deserves.

The Information Privacy Bill has a valuable place in a national context. It regulates information collection, handling and disclosure by the Victorian public sector. On 12 April 2000, the commonwealth introduced

amendments to the Privacy Act 1988 (commonwealth) to establish a scheme for the regulation of the handling of personal information in the private sector. This regulation is important to ensure that information collected and held by the private sector is stored, used and disclosed in a fair and appropriate way and to ensure that people have the right to access and correct information about themselves.

The Victorian government welcomes a national scheme to cover the private sector, recognising that it is the most sensible approach to privacy regulation in a global environment. However, the government has a keen interest in development of the most effective national scheme to balance the interests of business and the community and is taking an active part in the national privacy debate to ensure that the final form of the commonwealth legislation is appropriate.

For example, in December 1999 and February 2000, the government provided comments to the commonwealth during the development phase of the federal legislation. Earlier this month, the government made a detailed submission to the House of Representatives Standing Committee on Legal and Constitutional Affairs, which is currently inquiring into the federal bill. These comments touch a number of important areas of policy in the federal bill, particularly regarding the scope of proposed exemptions. However, they also seek to ensure that the Victorian information privacy legislation is able to operate effectively beside it. This means carefully defining the lines of responsibility between the federal and state schemes.

Victoria's Information Privacy Bill safeguards personal information handled by all public sector entities, including state instrumentalities, councils, ministers, members of Parliament — to the extent that they handle personal information received from public sector bodies — statutory office-holders and private sector contracted service providers. It is expected that coverage of the bill will complement the final form of the commonwealth legislation.

The bill requires personal information to be managed in accordance with a set of information privacy principles adapted from the *National Principles for the Fair Handling of Personal Information*, developed by the federal Privacy Commissioner and on which the commonwealth has based its private sector privacy legislation.

The 10 information privacy principles, attached in a schedule to the bill, prescribe how personal information is to be collected and handled.

Principle 1 governs the collection of information, requiring organisations only to collect personal information which is necessary for their functions. Organisations must also ensure that individuals know who is collecting their information and why and inform them that they may gain access to it for correction.

Principle 2 governs the use and disclosure of information. In general, organisations must only use or disclose personal information for the purpose for which it was collected. However, they are entitled to use or disclose personal information for a secondary purpose where it is related to the primary purpose of collection and the use or disclosure is within the reasonable expectations of the individual. Disclosures are also permitted in cases where there is a strong public interest in doing so. This includes, for example, where there is a serious threat to life, where disclosure is required by law and where it is necessary for legal proceedings.

Principles 3 and 4 seek to ensure that personal information held by an organisation is accurate, complete and up-to-date and that it is protected from misuse, loss, unauthorised access, modification or disclosure. Organisations are also required to take reasonable steps to permanently de-identify personal information when it is no longer needed.

The bill encourages transparency by requiring organisations, under principle 5, to document clearly their policies on management of personal information and to make those policies available to the public. Organisations must take reasonable steps to let people know, on request, what sort of personal information they hold, for what purpose and how they collect, hold, use and disclose that information.

Individuals are given a right to access their information and make corrections to it, where necessary, under principle 6. In Victoria, the Freedom of Information Act already provides a right of access to documents held by government. The bill does not propose to make changes to this method of access or to superimpose another access right over it. Accordingly, in the case of documents held by public sector agencies, the Freedom of Information Act will continue to be the only method of access.

In these circumstances the access provisions in principle 6 have a limited operation to contracted service providers, which are not always subject to freedom of information legislation, and certain other bodies. Contracted service providers are able to charge a prescribed fee for granting access to personal information held by them as agents of government.

This is intended to allow consistency with the fees prescribed under the Freedom of Information Act.

Principle 7 imposes limits on the use of unique identifiers between public sector organisations. It provides that unique identifiers cannot be shared by different agencies except with consent of the individual or where it is necessary for their functions. Principle 7 provides a safeguard against the creation of a single identifier that could be used to crossmatch data across all government departments.

Under principle 8, where lawful and practicable, the right of individuals to remain anonymous in transactions with an organisation is protected.

Principle 9 puts limits on the flow of information outside Victoria. An organisation is only allowed to transfer personal information outside Victoria if it reasonably believes the recipient is subject to a law, or other binding obligation, which imposes restrictions on the use of that information that are substantially similar to the information privacy principles. Personal information may also be transferred with the individual's consent or if the transfer is necessary for the performance of a contract. If consent of the individual cannot practically be obtained, the organisation can only transfer the information if it is for the benefit of the individual and if the individual would be likely to give the consent.

Principle 10 regulates the collection of sensitive information. Sensitive information is information about an individual's racial or ethnic origin, political opinions, membership of a political, professional or trade association, philosophical or religious beliefs or affiliations, membership of a trade union, sexual preferences or practices or criminal record. In very limited circumstances, this information can be collected by public sector organisations without consent where necessary for the effective delivery of government welfare programs.

The bill is administered by a privacy commissioner whose principal functions are community education and conciliation of complaints. The Privacy Commissioner is responsible for promoting the information privacy principles; providing compliance and policy advice; developing guidelines; conducting investigations; overseeing and conducting audits to ensure compliance with the legislation; and conducting research.

The Privacy Commissioner also assesses proposed codes of practice. Under part 4 of the bill, organisations can choose to register their own code or comply with an

existing approved code of practice rather than the information privacy principles. The standards prescribed in a code will generally have to be equal to or stronger than those set out in the principles. People who believe that an organisation has not collected or handled their information in accordance with the principles or a code of practice can lodge a complaint.

Part 5 of the bill sets up complaint processes that emphasise conciliation, at minimum cost to all parties. Complaints are to be referred first to the organisation and, if this is not successful, the Privacy Commissioner can conciliate them. If conciliation fails, the Victorian Civil and Administrative Tribunal (VCAT) can hear a complaint and make binding determinations to resolve it. It can make orders including restraining or mandating conduct of the respondent, orders for compensation to the complainant to a maximum of \$100 000, orders for correction of information, or orders that a code administrator take specified steps to remedy the fault which led to the complaint.

Part 6 of the bill gives the Privacy Commissioner strong enforcement powers through the power to issue a compliance notice if an organisation deliberately disregards its obligations. Compliance notices may be issued if a suspected breach is serious or flagrant, or has been repeated on at least five occasions within the previous two years. The penalties for breaching a compliance notice are \$300 000 for a body corporate and \$60 000 in any other case.

Regulations to be administered by the office of the Privacy Commissioner will be independently reviewed by the Office of Regulation Reform in consultation with the Law Reform Commission.

The government considers that specialised legislation is necessary to deal with the complex policy issues that arise in relation to health information. For this reason the Minister for Health will introduce a bill that will be dedicated exclusively to the protection of health information. That bill will be coordinated with the Information Privacy Bill and will provide a framework which is appropriate for health.

The Information Privacy Bill also contains some important exemptions which recognise competing public interests:

Law enforcement agencies are exempt from some of the principles where it is reasonably necessary for their law enforcement functions. Other functions, such as administration of employee records are not exempt.

The principles do not apply to publicly available information although, where that information is derived from a public register, the bill does apply so far as is reasonably practicable in recognition of the scope for abuse of these large stores of personal data. The government is continuing to investigate appropriate procedures for management of public register data.

A research exemption will allow personal information to be collected and used so long as the results are not published in a form that identifies, or can be used to identify, an individual.

In addition, where the Information Privacy Bill is inconsistent with other Victorian legislation, the other legislation will prevail. The Freedom of Information Act will not be affected; as noted earlier, access requests for government documents will still be processed according to FOI procedures.

Clause 72 of the bill states that it is the intention of clause 7 to alter or vary section 85 of the Constitution Act 1975. I therefore wish to make a statement pursuant to section 85 of the Constitution Act 1975 of the reasons why that section should be altered or varied by the bill.

Clause 7 provides that the bill does not give rise to any civil cause of action or create any enforceable legal right other than as specifically provided in the bill. Similarly, nothing in the bill is to be construed as giving rise to criminal liability except to the extent expressly provided for.

The bill is intended to create specific rights and obligations in relation to information privacy and to provide readily accessible and fair dispute resolution mechanisms, including scope for review. The bill is not intended to give rise to broader rights and obligations outside those expressly provided in the bill.

The reason for the alteration or variation to section 85 of the Constitution Act 1975 is to ensure that the scope of the bill meets these expectations.

Provision has also been made for considering the impact of future legislation on information privacy. The bill amends the Parliamentary Committees Act 1968 to provide that the Scrutiny of Acts and Regulations Committee will assess legislative proposals for consistency with the information privacy regime. In particular, it will be used to consider whether legislation unduly requires or authorises acts or practices that may have an adverse impact on personal privacy.

It is envisaged that Victoria's new information privacy regime will commence on 1 September 2001. Organisations will have a 12-month transition period before the principles or any codes of practice will be enforceable. During this time the privacy commissioner can conduct public education and awareness raising campaigns, provide compliance advice and register codes. The principles concerning the collection of information will apply to personal information collected from the date of commencement of the legislation; the other principles will apply to all information held on and from that date.

The Information Privacy Bill entrenches this government's commitment to enhance good communications with Victorians and will contribute to the building of the necessary environment for electronic commerce.

I commend the bill to the house.

Debate adjourned on motion of Mr PERTON (Doncaster).

Debate adjourned until Friday, 9 June.

COURTS AND TRIBUNALS LEGISLATION (FURTHER AMENDMENT) BILL

Second reading

Mr HULLS (Attorney-General) — I move:

That this bill be now read a second time.

Oath of allegiance

In March last year a young law clerk was prevented from being admitted as a barrister and solicitor because he refused to swear an oath of allegiance to the Queen. The fact that he is committed to the republican cause is irrelevant. He refused to swear that oath because if he had, it would have been a false oath.

Mr Möller was told by his contemporaries to just cross his fingers when he gave the oath. He rejected that advice, as any person about to swear an oath before the Supreme Court should. Today, a year later, Mr Möller is still a law clerk and his contemporaries are still crossing their fingers.

Many people would find it strange to think that an oath of allegiance to the Queen is a precondition to the right to practise law in this state. The former president of the Law Institute, Michael Gawler, said recently that allegiance to the Queen 'is not regarded by many

people as having anything to do with a willingness to uphold and respect the law'.

When people are admitted as lawyers by the Supreme Court they are required to swear — or affirm — two oaths. In addition to the oath of allegiance to the Queen there is also an oath of office. This is the wording of that oath:

I swear by Almighty God

or, if people object to being sworn:

I do solemnly, sincerely and truly declare and affirm that I will well and honestly conduct myself in the practice of my profession as a barrister and solicitor to the best of my knowledge and ability.

That is an entirely appropriate oath. It symbolises the important role that a lawyer has in the legal system. A person admitted as a barrister and solicitor is conferred with the status of a person in whom the courts and the community can have confidence. And yet the media continues to report that applicants for admission cross their fingers when they swear the oath of allegiance to the Queen. If future lawyers publicly dismiss the worth of the oath of allegiance to the Queen, the public is entitled to discount the value to be placed on this more important oath of office.

This government was elected on a policy that it would restore confidence in the legal system. That is what this amendment is all about. It is better to have no oath than an empty one. It is important that law clerks do not privately and — worse still — publicly dismiss the symbolic importance of the admission process. We do not see this amendment as being about the Queen or the republic, but about the integrity of the legal system in Victoria. Honourable members may be interested to know that even in England they have done away with the oath of allegiance to the Queen for admission to practice! This short, simple amendment to the Legal Practice Act 1996 will remove an historical irrelevance and at the same time improve the public's view of our legal system.

Mr Möller refused to swear an oath he did not believe in. His integrity should be recognised. I hope that he feels that this amendment vindicates the personal sacrifice he has made.

This bill also contains a number of miscellaneous amendments to courts and tribunals legislation. All of these amendments have been sought by either the Chief Magistrate, the President of the Court of Appeal or the President of the Victorian Civil and Administrative Tribunal (VCAT). The aim of these amendments is

simply to improve the operation of courts and tribunals. I will set out the more significant amendments.

Amendments to the Magistrates' Court Act 1989

The bill amends the Magistrates' Court Act 1989 to provide that:

all proceedings must be recorded by means of audio recording in accordance with the rules; and

a magistrate or registrar may refer a civil proceeding for a pre-hearing conference in accordance with the rules.

Amendments to the Supreme Court Act 1986

Double tier appeal to the Court of Appeal only with leave

The Court of Appeal has for some time been concerned to remedy an anomaly in the appeal system under which, by reason of the operation of various statutes, some litigants have been able to appeal to a single judge of the Supreme Court and then, by reason of the operation of the Supreme Court Act 1986, appeal as of right to the Court of Appeal. The appeals affected by these provisions are both civil and criminal matters originating in the Magistrates Court and the Victorian Civil and Administrative Tribunal. This bill amends section 17A of the Supreme Court Act 1986 to include a provision which requires leave of the Court of Appeal in these type of appeals.

Amendments to the Victorian Civil and Administrative Tribunal 1998

Appointment of reserve judge of the County Court to VCAT

The bill allows the Attorney-General to appoint a reserve judge of the County Court as a vice-president of the VCAT at the request of the President of the VCAT and following consultation with the Chief Judge of the County Court. The appointment of a reserve judge will be on a temporary basis to allow for the more convenient, economic and efficient disposal of business of the tribunal and for the avoidance of delay in the hearing of proceedings.

Prohibition on appearance

This bill inserts a new section in the act providing that a sessional member of the VCAT or former sessional member cannot appear before any of the lists in which the member sits or has sat. A member is disqualified from appearing before the relevant list or lists during

the term of their appointment and afterwards for a period of two years.

This restriction is based on the Victorian Bar Council rules. The purpose of inserting the provision is mainly educative. If a sessional member does appear during the period of disqualification it does not affect the validity of the proceedings. Further, no penalty is imposed under the Victorian Civil and Administrative Tribunal Act 1998 if a sessional member appears before a list during the period in which he or she is disqualified. Disciplinary proceedings can be brought under the Legal Practice Act 1996 if appropriate.

Suspension of non-judicial member

Currently the Attorney-General may suspend a non-judicial member of the VCAT with the approval of the president. Section 22 has been amended to provide that the power to suspend a non-judicial member is vested in the president, who may exercise this power, with the approval of the Attorney-General, if the president believes that there may be grounds for removal from office.

The bill also amends the Victorian Civil and Administrative Tribunal Act to:

give the principal registrar of the tribunal the power to order costs for failure to attend an assessment of costs;

provide that where the application fee is not paid at the time of lodgment it is deemed to be stayed rather than deemed not to have been lodged;

allow senior members who are legal practitioners as well as presidential members to dismiss summarily unjustified proceedings;

clarify that the tribunal may strike out an application where a party fails to attend a mediation or the hearing of a proceeding;

allow a mediator to require a party to attend the mediation either personally or by a representative who has authority to settle the proceeding on behalf of the party;

provide that if the parties agree to settle a proceeding as a result of mediation the mediator must notify the registrar rather than the tribunal;

restrict the exercise of the power to direct that a hearing be held in private to the presiding member;

expand the group of members who can make a declaration to include deputy presidents; and

allow a vice-president to make an order for contempt.

I commend the bill to the house.

Debate adjourned on motion of Dr DEAN (Berwick).

Debate adjourned until Friday, 9 June.

**VICTIMS OF CRIME ASSISTANCE
(AMENDMENT) BILL**

Second reading

Mr HULLS (Attorney-General) — I move:

That this bill be now read a second time.

This bill implements the government's election commitment to reinstate compensation for pain and suffering for victims of violent crime. When the Kennett government abolished the state-funded system for compensating victims for pain and suffering in 1997, the state no longer publicly acknowledged the harm suffered by victims of violent crime. This has diminished us as a society.

This bill is part of a wider package of services and forms of assistance put into place for victims of crime. The government is committed to providing a comprehensive scheme that assists victims in recovering from the impact of crimes of violence. This scheme offers:

a sympathetic and compassionate forum (the Victims of Crime Assistance Tribunal) for applicants to relate their experience as victims of violent crime, recognising that a hearing often provides an avenue for victims to receive open acknowledgment and validation that they have been victimised;

an opportunity for the state to make a payment to victims on behalf of the community in recognition of the victim having suffered significant harm as a result of a crime of violence;

a range and choice of services and support mechanisms, of which the Victims Counselling Scheme is one part, that is responsive to the needs of victims and accessible to all Victorians, taking into account the special needs of those residing in regional Victoria, those from Aboriginal, culturally and linguistically diverse communities, and those with physical or mental impairments; and

avenues to make offenders financially accountable, whenever practicable, for the harm they cause by

allowing the state to seek reimbursement for any moneys awarded to victims, and by enabling victims to elect to pursue compensation directly from offenders found guilty of the crime that caused them harm.

Under this bill, victims will see an expansion of their entitlements under the Victims of Crime Assistance Act 1996. This act will be amended to allow awards of special financial assistance to be paid to primary victims who suffer significant adverse effects as a direct result of an act of violence. A wider class of victims will now be eligible to seek payment in exceptional circumstances for expenses reasonably incurred or likely to be incurred to assist them in their recovery.

The proposals contained in this bill promote the following objectives:

equity of access to fair compensation;

predictability and consistency in decision making, to assist victims and their advisers to determine the amount they might reasonably expect to obtain from the tribunal;

simplicity and accessibility to those administering the scheme and to those seeking benefits under it; and

fiscal responsibility to enable the scheme to be sustainable and capable of being administered within its budget.

This bill will also amend the Sentencing Act 1991 to make recovery and reimbursement mechanisms more effective so that offenders are held financially accountable for the impact of their crimes.

As honourable members are aware, the government promised to fund the reinstatement of compensation for pain and suffering through a staggered allocation of \$45 million over the next three financial years. In December 1999, a review committee was established to consider how best to implement this policy commitment, having regard to the need to devise a scheme that was fair and equitable and financially sustainable. The committee consisted of representatives from government and community agencies, including organisations that provide advocacy and support for victims of crime. Consistent with the government's commitment to consult broadly, the committee included representatives from the statewide network of victim assistance programs, CASA House — centres against sexual assault — the Community Council Against Violence, and the Victims Referral and Assistance Service.

The committee reported to the Attorney-General in early March 2000. Their recommendations have formed the basis of the bill you have before you today, and I thank them for their contribution, their expertise, and the time they gave up to meet and consider very difficult questions in devising a scheme that promoted equity of access to compensation, in the knowledge that full retrospectivity was not a feasible option within the given budgetary constraints. I also thank the Parliamentary Secretary for Justice for his contribution in chairing this committee, as well as the departmental officers who provided secretariat support during its tenure.

Retrospectivity

This government has accepted responsibility for repairing the damage wrought by the previous government across many areas affecting the community — health, education, and justice. In implementing our social justice policies, we are mindful of the need to be fiscally responsible. Programs and policies must be both equitable and sustainable. Given the work ahead of us in rebuilding Victoria, the constraints on funding are tighter than they have ever been. Although we would like to go back in time and fix all of the injustices of the previous government, we are simply unable to do so. The burden that would impose upon the community would be too great. We must therefore look forward and ensure that we put in place appropriate policies that treat our most vulnerable citizens with the respect and dignity they deserve.

The proposals contained in this bill can therefore only go some of the way to restoring the rights of victims of crime. Over the last three years, thanks to the Kennett government, thousands of victims have missed out on an opportunity to receive compensation for their pain and suffering. The legislation introduced in 1996 and which came into effect on 1 July 1997 abolished this entitlement. Regrettably, we cannot afford to turn back the clock for these victims. Unlike other state schemes, we cannot look to an industry or a distinct sector of society to pay a higher premium to cover retrospective claims. As honourable members are aware, the crimes compensation scheme is funded out of consolidated revenue. The liability for funding retrospective claims rests with the community. Before the changes in 1997, awards for compensation and costs amounted to between \$40 million and \$50 million each year. It would be too heavy a burden to impose such a three-year liability upon the community today.

Accordingly, this government has allocated funding to support the payment of awards of special financial assistance to victims who suffer injuries or other

significant adverse effects directly as a result of crimes committed on or after 1 July 2000. The amount of special financial assistance that will be made available to victims is not intended to reflect what can be obtained at common law. No amount of money can make up for the harm they suffered from an act of violence. This new type of award is intended to constitute a tangible expression of the community's sympathy and concern for victims who suffered from violent crime. The scheme is structured in a way that promotes simplicity, accessibility and consistency of decision making.

I will go into further details about the new scheme shortly. But first, I would like to remind honourable members of the background of this important legislation.

Background

The history of crimes compensation in Victoria begins with the Criminal Injuries Compensation Act 1972, which was subsequently replaced by the Criminal Injuries Compensation Act 1983. Crimes compensation legislation has had a long history of bipartisan support — at least until the notorious events of recent years.

This shared view of treating victims with dignity and respect was to come to an end. In 1996, the Kennett government introduced the Victims of Crime Assistance Act — the VOCA act, effective from 1 July 1997, which abolished victims' entitlement to compensation for pain and suffering. At that time, one of the justifications given by the former Premier for extinguishing this right was that people were allegedly rorting the system. Because someone had the audacity to purchase a red coat with their award money, the Kennett government saw fit to take away compensation for pain and suffering for all victims of crime.

This government clearly has a very different view about both victims and the responsibilities of government. The purpose of special financial assistance is simply to acknowledge a victim's suffering — not to dictate to victims how they should spend their award. The victim is in the best position to decide for themselves how best to use their money. If they see fit to spend it on paying off their mortgage or gas and electricity bills, going on a family holiday, buying a red coat, or even setting up a fund to assist in the search for an alleged offender, then that is a matter for them and not for government.

Since 1 July 1997, victims of violent crime have lost the opportunity to have their suffering validated by the state. While no amount of money can compensate

victims for their harm, a sum of money — however small — provides them with recognition and acknowledgment that they have suffered as victims of crime. It provides an opportunity for the community, through the tribunal, to say to victims, ‘We acknowledge your suffering and we’re sorry for your pain’. Yes, unlike other governments, we are more than willing to say we’re sorry — we are willing to offer victims a tangible expression of our sympathy for the harm they have suffered. This opportunity to acknowledge victims was lost by the actions of the previous government and, by so doing, thousands of victims have lost the opportunity of having their pain recognised — of having their dignity restored.

Compensation from offenders under the Sentencing Act 1991

At the same time as state-funded compensation for pain and suffering was abolished, the Kennett government told victims that if they wanted any compensation for pain and suffering, they would have to seek it from offenders under an amended section 86 of the Sentencing Act. As we all know, section 86 has been a dismal failure. While the previous government did not bother to keep statistics about the number of orders that were made or enforced, anecdotal evidence suggests that only a handful of victims have been able to obtain the benefit of section 86. When the Kennett government abandoned its responsibility for paying victims compensation for their pain and suffering, making offenders primarily liable, it failed to recognise one important distinction between these two sources of financial relief: a publicly funded scheme does not require the apprehension and conviction of the offender to provide financial assistance to victims.

Over the past three years, victims have had to overcome significant hurdles in order to get any recompense for their pain and suffering. If the offender was not identified or apprehended, the victim missed out. If the offender was incapable of forming criminal intent, despite having obviously committed a crime, the victim missed out. If the offender was not charged or prosecuted, the victim missed out. If the offender was not convicted or did not plead guilty, the victim missed out. If the victim was unaware of their right to apply for a section 86 order, the victim missed out.

Even where a victim has overcome all of these substantial hurdles and obtains a section 86 compensation order, the offender may be unwilling or unable to pay — leaving victims to take action through the civil courts to enforce their order against the offender.

This government believes that section 86 should be retained to make offenders accountable to their victims whenever practicable and at the victims’ election. However, this must be offered as complementary to, and not in substitution for, a state-funded compensation scheme.

Where an offender has been found guilty of a crime, important facts about the offender’s actions and liability are already before the court. This provides the court with an opportunity to assess the victim’s compensation claim soon after the offender has been sentenced. This procedural economy provides victims with a speedy and low-cost option for seeking recompense from offenders without having to resort to civil proceedings.

This bill proposes to facilitate such actions by improving the process for victims to obtain compensation directly from the offender. The new mechanism — contained in a new subdivision in part 4 of the Sentencing Act — will enable the courts to:

where it is in the interests of justice to do so, extend the time period for making a compensation application — which will now be 12 months instead of 6 months from when the offender was convicted or found guilty;

consider applications from a wider range of victims — including those suffering grief, distress, trauma or other significant adverse effect;

permit victims to be represented by any person, such as a victim support worker or advocate or a family member;

have regard to a wider range of documents and evidentiary materials, including evidence from the victim in relation to the application; and

award compensation for a wider range of matters — including medical costs and other expenses.

There will continue to be no ceiling on the amount that can be awarded under part 4 of the Sentencing Act. Victims will continue to be able to take civil action against the offender for damages, irrespective of any award made under the Sentencing Act. Naturally, it will be up to the discretion of the civil court to reduce any final award by the amount of compensation already paid by the offender to the victim in relation to the same cause of action.

Entitlements under the Victims Of Crime Assistance Act 1996

Awards of special financial assistance

As has already been mentioned, the proposals contained in this bill promote equity of access to fair compensation, predictability and consistency in decision making, simplicity and accessibility of the scheme to those seeking benefits under it, and fiscal responsibility to ensure that the scheme is sustainable.

The introduction of awards for special financial assistance differs from previous payments of compensation for pain and suffering in many respects:

1. Awards of special financial assistance will be over and above existing entitlements.

Under the current legislation, primary victims are eligible for assistance up to \$60 000 and secondary and related victims can obtain up to \$50 000. These ceilings — for the payment of medical expenses, loss of income, and other expenses — will be retained and any payment of special financial assistance will be over and above these other entitlements.

2. There will be no threshold for the payment of special financial assistance.

While a threshold of \$200 was used under the pre-1997 crimes compensation scheme, the government has decided not to reintroduce a threshold in order to promote wide access to these new payments. It is considered that victims ought not be excluded from obtaining recognition from the state simply because their entitlement to compensation is small.

3. Victims will be able to obtain a minimum award without having to prove an injury, provided that they suffer a significant adverse effect as a direct result of an act of violence.

Awards of special financial assistance will be available to primary victims. The definition of 'primary victim' has been extended to enable victims who suffer grief, distress, trauma or other significant adverse effect to have access to an award of special financial assistance. This extended definition is not intended to bring in secondary or related victims, who will continue to have access to their existing entitlements under the legislation and any enhanced rights provided by other provisions of this bill.

4. The amount that victims can expect to receive for special financial assistance will be more predictable and consistent than in the past.

Previously, the amount of compensation a victim received for their pain and suffering was left entirely to the tribunal's discretion. Such a system carried the risk of victims and their advisers not being able to predict the amounts awarded by tribunal members, with the potential for inconsistent — and therefore unfair — decisions being made.

Accordingly, the proposed model provides more guidance on the amount to be awarded in respect of a particular offence, while leaving the tribunal with discretion to determine whether the minimum award level should be varied having regard to the nature of the injury and other surrounding circumstances. Offences will be organised into four categories. Each category will have a prescribed minimum award level and a prescribed maximum award level. Higher awards will be reserved for more serious offences — such as rape, incest and sexual penetration of a child. Less serious offences — such as common assaults — will attract lower awards.

Where a victim has suffered an injury or other significant adverse effect, they will be entitled to the minimum award. Where an injury has been sustained, the victim can seek an additional amount to the prescribed maximum.

So, for example, a rape victim will be entitled to a minimum amount of \$3500 without having to prove an injury, provided the tribunal is satisfied that they suffered some significant adverse effect. Where a rape victim suffers an injury, such as post-traumatic stress disorder, they will be able to seek up to a maximum amount of \$7500.

While applications for the maximum award levels would be expected to be of a comparable level of complexity as under the previous scheme, it is anticipated that applications for minimum award levels could in many instances be processed on the papers without the need for a hearing. Yet it is recognised that some victims may nevertheless wish to attend a hearing, as appearing before a sympathetic public forum can assist victims in their recovery by providing them with recognition and acknowledgment of their having been victimised.

Child victims of pre-July 2000 sexual assaults

Children who suffer sexual abuse are possibly the most vulnerable group of victims in society. Because of the nature of this heinous crime, the offence often goes unreported for many years. These children are silent victims, many of whom suffer sustained abuse by offenders who are known to them and who are in

positions of trust and power. Not only are children physically weaker than their assailant, but they are often dependent upon them for their general wellbeing and are easily coerced into silence — a silence that can endure for many years.

Where these children are able to break this silence by reporting the crime to police, providing compensation that recognises their suffering would be just and humane. Accordingly, victims of childhood sexual abuse will be able to apply for special financial assistance in the following situations:

where the abuse occurred on or after 1 July 1997 — when compensation for pain and suffering was abolished — victims will in future be entitled to make an application to the tribunal within two years of the commencement date of the revised crimes compensation scheme — that is, two years from 1 July 2000; and

where the abuse occurred during the period when victims were eligible to apply for compensation for pain and suffering — that is, before 1 July 1997 — but they did not make an application under the pre-1997 legislation — for reasons such as those outlined above — they will now be eligible for an award of special financial assistance — provided that the alleged offender has been committed or presented for trial after 1 July 1997, in which case the victim will be entitled to make an application to the tribunal within two years of the date of committal or presentment.

Any entitlement to other assistance under the current legislation will be maintained, including payment for medical, counselling and other expenses, as well as loss of earnings that the victim suffers or is likely to suffer in the future.

Expansion of other entitlements

The bill also proposes to extend certain entitlements to additional categories of victims and to remedy a number of injustices that currently affect related victims.

Primary victims — that is, those who are injured as a direct result of an act of violence — are able to seek financial assistance for their medical and counselling expenses, as well as for loss of income. Section 8(3) of the legislation allows primary victims, in exceptional circumstances, to also apply for payment of other expenses that will assist in their recovery. To date, awards have been made under this section to assist victims' recovery through the payment of expenses

such as computers, gym memberships, holidays, and educational and remedial courses.

The bill proposes to extend this exceptional circumstances entitlement to other categories of victims. This will allow close family members of a deceased victim to seek payment, for example, for reasonable interstate travel costs to attend a funeral. Children injured as a result of witnessing family violence will also be able to access this exceptional circumstances entitlement.

Monitoring and review

The revised compensation scheme will be reviewed after three years of operation to ensure that equitable compensation is paid to genuine victims of crime. To assist in the review process, the government will monitor the value and nature of compensation awards being paid. This will assist in determining the extent, if any, to which access or award levels can be increased in future.

The government believes that crimes compensation is one of the pillars of victim assistance. For many victims, it serves as the primary means of financial assistance in the aftermath of victimisation. This bill expands victims' entitlements to obtain financial relief so as to assist them in recovering from the impact of crime and to provide them with the recognition they deserve.

Section 85 statement

I make the following statement under section 85 of the Constitution Act 1975 of the reason why section 252E of the Accident Compensation Act 1985, as inserted by clause 26 of this bill, alters or varies section 85 of the Constitution Act 1975.

Clause 25 amends the new section 138B of the Accident Compensation Act 1985, as inserted by the Accident Compensation (Common Law and Benefits) Bill 2000. This new section, as amended by this bill, operates to prevent a court, including the Supreme Court, from making an order for the payment of compensation under subdivision 1 of division 2 of part 4 of the Sentencing Act 1991 if the compensation relates to an injury or death in respect of which the person concerned has or may have an entitlement to compensation under the Accident Compensation Act 1985 and the relevant offence is against the Dangerous Goods Act 1985, the Occupational Health and Safety Act 1985, the Equipment (Public Safety) Act 1994 or any regulations made under any of those acts.

The reason for this limitation of the jurisdiction of the Supreme Court is to give effect to government policy that, in the cases referred to, compensation under subdivision 1 of division 2 of part 4 of the Sentencing Act should not be available.

I make the following statement under section 85 of the Constitution Act 1975 of the reason why section 132C of the Transport Accident Act 1986, as inserted by clause 27 of this bill, alters or varies section 85 of the Constitution Act 1975.

Clause 25 amends the new section 107A of the Transport Accident Act 1986, as inserted by the Accident Compensation (Common Law and Benefits) Bill 2000. This new section, as amended by this bill, operates to prevent a court, including the Supreme Court, from making an order for the payment of compensation under subdivision 1 of division 2 of part 4 of the Sentencing Act 1991 if the compensation relates to an injury or death in respect of which the person concerned has or may have an entitlement to compensation under the Transport Accident Act 1986 and the relevant offence is against the Road Safety Act 1986 or any regulations made under that act.

The reason for this limitation of the jurisdiction of the Supreme Court is to give effect to government policy that, in the cases referred to, compensation under subdivision 1 of division 2 of part 4 of the Sentencing Act should not be available.

I commend this bill to the house.

Honourable members interjecting.

Interjections from gallery.

The SPEAKER — Order! I remind the house that it is disorderly for persons in the gallery to make noise in the chamber. If it does not cease forthwith I will ask the attendants to remove them.

Debate adjourned on motion of Dr DEAN (Berwick).

Debate adjourned until Friday, 9 June.

Remaining business postponed on motion of Mr HULLS (Attorney-General).

ADJOURNMENT

Mr HULLS (Attorney-General) — I move:

That the house do now adjourn.

Schools: banking

Mr HONEYWOOD (Warrandyte) — I ask the Minister for Education to ensure that she will override her own edict that discriminates against school communities in relation to banking with the bank of their choice. In the absence of the honourable member for East Gippsland, who appears uninterested in raising school matters on behalf of his electorate, I refer the minister to a letter to her from Bairnsdale Primary School, which states the following:

Our school council was most distressed to receive your directive in relation to banking. Not only has there been a total lack of consultation with us, but also there has clearly been what can only be interpreted as a conscious decision to ignore the small rural communities.

We in Bairnsdale enjoy the banking facilities offered by all the major banks, but it has not escaped our notice that the Bank of Melbourne (Westpac) is closing smaller rural branches at an alarming rate.

Your directive has caused great consternation within our school council, and the decision to write a letter of complaint to you was unanimous.

All school councils in Victoria should have been consulted.

We are at a total loss to understand the dictatorial attitude of your department ... We had hoped your government would have been more consultative with all Victorian school councils, plus more understanding and aware of the needs of all rural communities.

That letter is signed by the school council president.

The government sends the Minister for State and Regional Development, who is also the Treasurer, to open branches of community banks in rural areas, yet the Bank of Melbourne, among others, is closing down. The minister is telling schools they have to bank with one bank and one bank only. That bank happens to be the one that is closing the greatest number of branches throughout Victoria.

The Bairnsdale school council has an excellent working relationship with the Commonwealth Bank, which it has banked with for many years and from which it receives the same high rate of interest that the minister is purporting to be gaining for it under the single banking policy.

The government claims it is looking after rural communities, but instead it is telling them in Big Brother-like or Big Sister-like fashion what they have to do with their money. Will the government be able to justify the situation if a bank goes bankrupt? Will the government reimburse any moneys lost to Bairnsdale Primary School after having told it that it has to bank with one bank only? It is an outrage. This is not a

government that consults; it is a government that issues edicts.

International Summit on Education and Indigenous Communities

Mrs MADDIGAN (Essendon) — I raise a matter for the attention of the Minister for Education, whose appointment is the best news Victoria's education system has had for more than seven years. I ask her what assistance the government may be able to give to a joint summit called the International Summit on Education and Indigenous Communities, which is being organised for next year.

The summit is being jointly organised by the excellent Victoria University of Technology and Harvard University in the United States of America. A member of the school of education at the Victoria University of Technology has been working with Harvard University in investigating the poor school retention rate of native Americans. That problem is similar to the one we have in Victoria with the low retention rate of Aboriginals at secondary schools, not only in regional and isolated areas but also in urban areas.

The matter is for the attention of not only the Minister for Education but also the Minister for Post Compulsory Education and Training. However, I raise the issue particularly with the Minister for Education, given the large Aboriginal population in her electorate.

The conference will look at the education system to ensure that Aboriginal Australians complete year 12, because that is rare at present; the same problem exists in America. It is appropriate that the conference will be held next year because it will coincide with the Centenary of Federation celebrations.

The conference's involvement with Harvard University gives it a certain amount of status, because the Harvard University graduate school of education is highly regarded. Professor Gary Orfield, who runs the civil rights project and the Native American program, is highly respected. The fact that he is coming to Australia, and visiting Victoria, is a great compliment to the work of Victoria University's school of education in that field.

Because of the problems faced in Victoria over retention rates for indigenous Australians, it is a great opportunity and a project in which the government could become involved. I ask the minister to have her department investigate how it could become involved in what will be a great project. It would be a great thing for Victoria in the centenary year of our Federation.

Schools: banking

Mr VOGELS (Warrnambool) — I ask the Minister for Education to act immediately on the recent requirement for schools to be involved in a high-yield investment scheme. I refer to a letter from the Timboon school council which was sent to the minister:

The school council appreciates the efforts of the government to obtain higher interest rates on savings for schools and also the fact that money can be transferred to the school's preferred account whenever it is required. However, Timboon P-12 school is an isolated country school. It is supported by a number of small businesses, and the wellbeing of the town and as such the school is dependent upon the viability of these small businesses.

As you would be aware a number of country bank branches have been closed in recent years. Timboon P-12 school is one of the larger customers of the Timboon branch of the Commonwealth Bank. The school receives excellent support and service from the branch and as such we are concerned that the government's actions negatively affect the relationship that we have established with our local bank.

Council believes that our school should have been given the opportunity of electing to be involved in the scheme and feel that mandatory inclusion is detrimental to the operations of our school.

Council believes it is short sighted to believe that higher interest rates will improve the school's financial position. If our local branch was closed, the financial and social implications for the school and the community would far outweigh the increased revenue generated by the increase in interest.

Council believes that schools should have been contacted regarding the scheme and be given the opportunity of providing input. This appears to be another situation where this government has failed to consider the different position of rural communities.

Deer penis wine

Mr HOLDING (Springvale) — I raise a matter for the Minister for Health. I seek action to have a substance placed on the poisons schedule. I recently had cause to visit the home page of the member for Doncaster — a person whose delicate condition I have been concerned about for some time.

I learnt that on a visit to Malaysia and Singapore the honourable member had cause to, in his words, 'sample the pleasures of deer penis wine'. I had assumed that deer penis wine was a herbal medicine or a delicacy of some sort. Imagine my surprise when I learnt that it is in fact an aphrodisiac!

In my research for the Chinese Medicine Registration Bill I was able to review the literature on deer penis wine. The online magazine *Salon*, which reviewed the

Imperial herbal restaurant in Singapore, described deer penis wine as:

Expressly intended to remedy sexual ennui.

Should the minister be successful in having this substance listed on the poisons schedule, I would urge that it be marketed in Australia as Victor's Viagra.

Mr McArthur — On a point of order, Mr Speaker, I appreciate the honourable member's sense of humour, but he should know that it is not admissible to raise matters of regulation or legislation on the adjournment debate. He is seeking an amendment to regulations.

The SPEAKER — Order! As I understood it, the honourable member has not called for legislation. I ask the honourable member for Springvale to explain to the house what action he is seeking from the Minister for Health.

Mr HOLDING — I seek the minister's urgent attention to address the medical properties that deer penis wine has, and to take appropriate action.

The SPEAKER — Order! There is no point of order. The honourable member called for government action on the matter.

Mr HOLDING — Deer penis wine is, I am informed, a sickly, rust-coloured liquid — —

Mr Richardson — On a further point of order, Mr Speaker, I want to know how I can get hold of some of the stuff!

Honourable members interjecting.

The SPEAKER — Order! The house will come to order. There is no point of order.

Mr HOLDING — Before the honourable member for Forest Hill samples the pleasures of deer penis wine, I remind him that the potential side effects of drugs that are supposed to enhance sexual activity include mood changes — —

Mr Perton — On a point of order, Mr Speaker, I am grateful to the member for this matter. I thought it was for hair loss. Obviously it did not work.

Honourable members interjecting.

The SPEAKER — Order! The honourable member for Mordialloc! The house should come to order. It is Friday afternoon, and it has been a long week. There is no point of order. The honourable member for Springvale, concluding his remarks.

Mr HOLDING — Never let it be said, Victor, that you are a very unattractive man!

The SPEAKER — Order! The honourable member for Springvale will address his remarks through the Chair.

Mr HOLDING — The side effects include mood changes, blurred vision and confusion.

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

Mr HOLDING — I seek ministerial intervention to ensure — —

The SPEAKER — Order! The honourable member's time has expired. I remind him that he should respect the Chair's ruling.

Bulleen Road, North Balwyn: pedestrian refuge

Mr McINTOSH (Kew) — I raise a matter for the attention of the Minister for Transport concerning the possible construction of a pedestrian refuge in Bulleen Road, North Balwyn. I seek the minister's support to do whatever possible to assist in securing the appropriate funding for such a project.

Bulleen Road provides both exit from and access to the Eastern Freeway. It is a major arterial road. Since the extension of the freeway to Springvale Road the amount of traffic using Bulleen Road has increased enormously. In addition, members of a local kindergarten community recently conducted a survey on cars using Bulleen Road. The results showed that about 75 per cent of cars exceeded the speed limit of 60 kilometres an hour.

Mothers with toddlers cross Bulleen Road to a kindergarten located near Cascade Park; many residents also visit the park, which has a number of amenities. Young and old members of the community try to cross Bulleen Road at that point. The nearest pedestrian crossing is about a kilometre away.

The City of Boroondara and the local community support the construction of a pedestrian refuge. I have taken representations from the committee of management of the Bellevue kindergarten, and it has asked me to raise this issue with the Minister for Transport.

I understand Vicroads has jurisdiction over Bulleen Road, it being a major arterial road. Further, while it concedes the need for a pedestrian crossing, Vicroads says it is a matter of prioritising the project to secure the

necessary funding. Accordingly, I ask the Minister for Transport to turn his attention to securing the necessary funding.

Bulleen Heights School

Mr KOTSIRAS (Bulleen) — I raise a matter for the attention of the Minister for Education about Bulleen Heights School. I ask the minister to provide funding to improve the school facilities.

Bulleen Heights School is a dual-mode facility currently providing educational programs for approximately 120 students between the ages of 5 and 18 who have intellectual disabilities and/or autism. It is an excellent educational establishment providing programs and learning experience designed to develop and extend the individual needs of its students. The Governor, Sir James Gobbo, visited the school yesterday and was impressed with the work currently undertaken there.

Although a master plan to enhance and improve the school facilities is currently being implemented, no money has been provided by the minister to meet the physical needs of the students.

The school currently has nine portable classrooms; it would like them replaced with a cool, brick building. It would also like seatbelts and an airconditioner installed in the school bus, and it would like the maximum time allowed for the bus trip to be reduced from 2 hours.

I ask the minister to investigate the physical needs of Bulleen Heights School and to provide the funding needed for the wellbeing, safety and security of all the students.

It is a good school that has done marvellous work in the electorate. It aims to provide excellent teaching programs and learning experiences designed to develop and extend the skills and strengths of each student. I urge the minister to investigate the matter and to provide the appropriate funding.

Hellenic Antiquities Museum

Mr LANGUILLER (Sunshine) — I ask the Minister assisting the Premier on Multicultural Affairs to undertake action to address concerns about the lack of exhibitions in the Hellenic Antiquities Museum. Furthermore, I ask the minister to explain why a memorandum of understanding between the two nations has not been signed and what the implications are of the absence of a memorandum of understanding.

The previous Minister for Multicultural Affairs undertook the initiative of promoting the establishment of the Hellenic Antiquities Museum. However, unfortunately its establishment was not followed by a proper timetable of exhibitions or a memorandum of understanding and adequate arrangements between the two nations, which were supposed to be followed by exhibitions. The direct impact of their absence is that a number of deputations and trips to Greece will have to be made. I know the government is concerned about that. It is of the view that there has to be a proper memorandum of understanding and a timetable, and that a number of exhibitions should take place at the museum.

The museum has operated on an ad hoc basis. In 18 months there have been two exhibitions, so the museum has been open on and off. Victorians should not be deprived of the cultural centre. Not only the Victorian Hellenic community but all Victorians who are interested in multicultural arts and tourism are concerned about the matter.

This government will have to pick up the pieces after the previous government talked up multiculturalism but did not follow through with actions. I suggest that the minister ensure that there is a proper memorandum of understanding. I ask the minister to take action to redress the damage caused by the inaction of the previous government.

Kilsyth South spider orchid

Mrs ELLIOTT (Mooroolbark) — The matter I raise for the attention of the Minister for Environment and Conservation concerns the Kilsyth South spider orchid. There are only 23 Kilsyth South spider orchid plants in existence in the world — they are all at lot 10 Tereddin Drive, Kilsyth South. They were discovered when the owners of the block of land wished to clear it for the purpose of building a house.

The Maroondah council refused to grant the owners permission to clear the land. The owners appealed to the Victorian Civil and Administrative Tribunal but were again refused permission because the site was declared to be of both national and state significance because of the spider orchid and other plants that are located there.

I have received correspondence from a constituent, Ms Helen Moss, a member of the Montrose Environment Group. In her letter she told me that on 10 April she took a submission on the Kilsyth South spider orchid and her desire to see it put on the flora

and fauna list to the minister's 11th floor office at 8 Nicholson Street, Melbourne.

After a week Ms Moss telephoned the minister's office to find out what had happened to the submission and was advised that it was probably in the flora and fauna section. The person Ms Moss spoke to promised to find out exactly where the submission had gone and ring her back. A couple of days later Ms Moss again contacted the minister's office and was told that everyone had been very busy because of the budget, but the submission would be located and she would be told who was handling the matter. As Ms Moss said, she is glad she was not holding her breath. Several days later she again telephoned the minister's office and was informed that no-one knew anything about the submission and that she should telephone the department's information line on 136186. As Ms Moss said, 'Talk about a blatant fob-off!'

I ask that the Minister for Environment and Conservation respond to Ms Moss with all possible speed on the matters referred to in her submission, that she take action to ensure that the Kilsyth South spider orchid is put on the species list of the Flora and Fauna Guarantee Act and that she address the other matter raised in Ms Moss's submission — that is, that the government provide funds for purchase of the site so that the future survival of the species is guaranteed.

Western Highway: upgrade

Mr HOWARD (Ballarat East) — I refer the Minister for Transport to the Western Highway and ask him for an outline of the government's plans for the upgrade of the section between Rockbank and the Western Ring Road. The train-travelling community in Ballarat is delighted to learn that the government has committed to the upgrade of the rail service between Ballarat and Melbourne and is aware that the feasibility study report is now before the minister.

Car travellers between Melbourne and Ballarat are fortunate to have a freeway of high standard for most of the way between the two cities. However, the freeway ends at Rockbank and traffic is slowed considerably past Caroline Springs and Deer Park. I seek the minister's advice as to what stage the plans and preparations have reached for the highway to link to the ring-road and free up traffic flow.

The people of Ballarat look forward to the Western Highway upgrade, which will provide opportunities to further promote Ballarat as a place for economic development and a tourist destination within easy reach of Melbourne. Ballarat and the surrounding areas boast

many tourist attractions, and if they can be reached quickly people will visit more often, which will greatly benefit Ballarat and the surrounding regions. I look forward to hearing from the minister.

Police: Bentleigh

Mrs PEULICH (Bentleigh) — I refer the Minister for Police and Emergency Services to the policing needs of the Bentleigh electorate. I notice that he has just left the chamber, but given that today is the last day of this week's sitting I assume he is probably not far away.

Since the reorganisation of police districts several issues have arisen that severely affect the Bentleigh electorate. Recently the electorate experienced an example of vandalism committed on numerous cars parked in Bendigo Avenue and Daley Street where tyres were slashed, wipers were twisted off and paintwork was extensively scratched, causing thousands of dollars of damage.

In addition, there has been increasing vandalism, evidence of drug dealing on the streets, bag snatching and the scratching of commercial shop windows, damage which insurance companies are reluctant to cover. They are all examples of petty crime that I ask the minister to address.

In the past the Bentleigh community was well served by the Moorabbin police complex, but since the establishment of a new district, a large part of my electorate is now covered by the new Glen Eira police district complex. It is the view of many police officers in my area that a presence is needed in Bentleigh because it is on the periphery of the district.

I ask the minister to investigate whether funding may be made available from the Growing Victoria fund for the establishment of an outpost for police that is needed in the Bentleigh district so that members of my community can grow in confidence and move about their normal daily lives with security and safety.

Housing: Geelong

Mr TREZISE (Geelong) — I direct to the attention of the Minister for Housing the plight of homeless people who are relying on insecure housing, not only in my electorate but in the wider Barwon South West region. Many of those people in need of housing within our community have either mental disabilities or mental illnesses and are living in poverty. They are locked out of mainstream society so their access to assistance is very much hit or miss.

I ask the minister to advise the house what action the government is taking to assist those relying on insecure housing in Geelong and the wider Barwon South West region. Although the issue of homeless people is a community-wide problem, it is also, by its nature, a hidden problem. I ask the minister to give this issue attention forthwith.

Mount McKay: ski facilities

Mr PLOWMAN (Benambra) — I direct to the attention of the Minister for State and Regional Development the Mount McKay ski lift development at Falls Creek. The development will increase the skiing area by 140 per cent and will provide on the south face of Mount McKay the most exciting and challenging skiing area in Australia. There will be a 130-foot vertical drop on one run. The development will cost about \$50 million, with \$12 million being spent on the ski lift and \$30 to \$40 million on further development by the lift company in Falls Creek.

I ask the minister to look at the development and ensure that the lifts are placed in the best possible position so that any development is appropriate. The possible contradiction is that the lifts may be placed elsewhere, but it is imperative that the Minister for State and Regional Development support and promote the development at its optimum site. I ask the minister to look at this and to act accordingly.

Responses

Mr PANDAZOPOULOS (Minister assisting the Premier on Multicultural Affairs) — The honourable member for Sunshine directed to my attention the Hellenic Antiquities Museum and specifically the lack of a memorandum of understanding being signed between the Victorian and Hellenic governments. The honourable member said that in the past 18 months only two exhibitions have been held and rightly said that that is disappointing. Even though honourable members were pleased when in August 1996 the former government announced the establishment of a Hellenic museum, four years have passed and a formal memorandum of understanding has still not been signed.

Why is the memorandum of understanding essential? It means that a formal signed agreement is needed to secure a regular number of exhibitions. Under Greek government rules that allow exhibitions to be taken overseas for a maximum of three months, potentially we can have four exhibitions in Melbourne. The lack of a memorandum of understanding means there is no formal process by which to plan exhibitions.

Mr Honeywood interjected.

Mr PANDAZOPOULOS — The former Minister assisting the Premier on Multicultural Affairs says, 'You don't need a memorandum of understanding', but in March last year his government sought to establish a memorandum of understanding with Greece. A memorandum of understanding provides an agreed framework for planning for future exhibitions. We need to be able to clarify each country's respective responsibilities and expectations to ensure future exhibitions are planned and executed in a timely and mutually agreed fashion.

Former government members still say of exhibitions, 'This is wonderful', but when we came to government we asked, 'What exhibitions are planned?'. We were told there was no memorandum of understanding to secure exhibitions.

In the past, delegations from Victoria had to visit Greece to secure the two exhibitions that have been held. Therefore potentially four trips must be made to Greece to negotiate exhibitions. In normal circumstances a proper written memorandum of understanding outlining the expectations for each party is essential to ensure that the large area of space at the Hellenic Antiquities Museum is used for exhibitions.

In March last year an attempt was made to draft a memorandum of understanding, which was a good thing, although belated. The Greek government rejected that draft document, and the government has discovered that the advisory committee to the museum appointed by the former government is so concerned that it has been considering the future of the museum. I am concerned about what that means, which is exactly the point the honourable member for Sunshine is raising.

The government has advised the museum of its support. We have asked it to make a second attempt at drafting a memorandum of understanding to be issued to the Hellenic Ministry of Culture to enable us to reach agreement. The government wants exhibitions from Greece to be visiting Melbourne. Melbourne has had only two exhibitions in 18 months. The museum has been closed more than it has been open because of the lack of exhibitions.

Recently the honourable member for Bulleen told one of the Greek newspapers that a memorandum of understanding is not needed. Is it his view that someone must go overseas regularly to negotiate exhibitions? Is that what the honourable member for Bulleen wants?

The government wants a formal agreement to secure exhibitions. The Premier will be raising that issue with

the Minister for Culture in Greece when he visits Greece in July so that the government can advance discussions that were belatedly started by the former government. The former government took three years to start thinking about the drafting an agreement; four years have passed and there is no agreement.

The government is committed to keeping the museum. The Premier will negotiate the outcomes, which are important for the long-term security of the Hellenic Antiquities Museum. I thank the honourable member for Sunshine for his interest. It is a shame that despite all the rhetoric of the past about supporting multiculturalism, members of the former government never dotted their i's or crossed their t's to make things really meaningful.

Ms DELAHUNTY (Minister for Education) — The honourable member for Essendon made an excellent suggestion about the International Summit on Education and Indigenous Communities, a worthy proposal by the education unit at Victoria University of Technology (VUT). The Department of Education, Employment and Training would be interested in looking at the proposed details. We suggest that the Koori education development unit in the department be involved in assisting with the proposal, and recommend that the cooperation and assistance of the Victorian Aboriginal Education Association also be called upon.

The department is supportive of such a proposal and looks forward to working with VUT and Harvard University to see how we can progress this initiative. I am personally interested in this, given the large Koori population in the seat I represent.

The honourable member for Bulleen in a confused way raised some matter about the Bulleen Heights School. I agree it is an excellent school but I am not sure what action he sought, although he spoke about funding. I am happy to investigate the status of the master plan, which I think is his interest, and I will get back to the honourable member.

I have just been advised that the Bulleen Heights School has been allocated \$95 000 for minor capital works to build a staffroom extension and toilets. There is, however, a cost overrun for the project of more than \$40 000. The school and the department are in negotiations about the additional costs above the \$95 000.

The honourable members for Warrandyte and Warrnambool raised the matter of the high-yield investment accounts for schools. The big difference between the honourable members for Warrandyte and

Warrnambool is that the honourable member for Warrnambool had read the proposal and understands the facts. Unfortunately the honourable member for Warrandyte is running off a press release and has not looked at the proposal.

Schools are under absolutely no obligation to use the high-yield investment account other than to access the department grants. Any school can electronically transfer funds into its local bank at no cost with one telephone call.

To answer the question raised by the honourable member for Warrnambool about the Timboon school, if it wants to continue banking with the Commonwealth Bank there is no obligation to stay with the Bank of Melbourne. Only a simple telephone call is required to transfer the money back into the account and to continue operating it as before.

The proposal has yielded substantial interest benefits for all schools. Schools are now using the account, and at close of business on Friday, 19 May, the total balance in the high-yield accounts for all schools was \$76 million, which includes \$5.9 million transferred into the account by schools that are delighted to enjoy the benefits. The overall gain for schools across the state is up to \$2.5 million.

The question was raised about consultation — we have consulted ourselves silly on this. I refer to consultations that occurred in February.

Honourable members interjecting.

Ms DELAHUNTY — The honourable member for Warrandyte hates the facts!

In February extensive consultations were held with school council organisations, principals and parent organisations. Further, a series of information briefings were conducted in regions by the Department of Education, Employment and Training between 15 and 16 March and every school was issued an invitation by the regional director. Further to that, on 11 February every school was sent an executive memorandum setting out the benefits of the high-yield investment account. The account is integrated with each school's — —

Mr Leigh — On a point of order, Mr Speaker, the minister is referring extensively to a document. Will she make the document available to the house?

The SPEAKER — Order! Was the minister referring to a document?

Ms DELAHUNTY — Yes, I was, Mr Speaker.

The SPEAKER — Order! Is the minister prepared to make the document available to the house?

Ms DELAHUNTY — I am happy to make it available.

The account is integrated with each school's existing account. All interest accrues to the schools that retain current levels of flexibility and control over their investment and management strategies. Interest will be calculated daily and paid into the account monthly. All schools will benefit from the high yields regardless of size or location.

Schools will be able to access funds from high-yield investment accounts at call. Each school is able to exercise autonomy on the level of use of the account. As I said, I am happy to table the document.

One further point: the noisy opposition might be interested to know the agreement with the Bank of Melbourne was reached after an open tender process for banks to offer high-yield investment services to Victorian government agencies. The tender process was initiated by none other than the former Minister for Finance. The honourable member for Warrandyte's own government decided it would benefit schools and Victoria! It is good financial management and good for schools. Everybody loves it except the member for Warrandyte.

Mr HAERMEYER (Minister for Police and Emergency Services) — The honourable member for Bentleigh referred to a crime spree going on in the Glen Eira–Moorabbin area — —

Mrs Peulich — Bentleigh!

Mr HAERMEYER — Within the Bentleigh area, and she has related that spree to the issue of police presence. The honourable member for Bentleigh is aware that since 1996 numbers in the Victorian police force were cut back through a process of deliberate attrition from well above 10 000 to below 9500.

The SPEAKER — Order! The Minister for Police and Emergency Services and the honourable member for Bentleigh will cease having an exchange across the table.

Mrs Peulich interjected.

Mr HAERMEYER — The honourable member for Bentleigh says the view of some police in the area is that there needs to be a greater police presence. The

Victoria Police has a problem across the state. Taking 800 police out of a police force leaves a shortage virtually everywhere. It creates a problem.

Mr Honeywood interjected.

Mr HAERMEYER — He has discovered Mount Evelyn — the police station his government was going to close!

The SPEAKER — Order! I ask the minister to cease debating across the table and to address the Chair.

Mr HAERMEYER — Mount Evelyn is a case in point. It was one of the police stations that honourable members opposite when in government were going to close. We will keep Mount Evelyn police station open, and as the additional 800 police are appointed — a policy on which this government was elected to office — the police presence and strength at that station will improve. Honourable members may recall that under the former government Mount Evelyn was open for some 9 hours a week with a sign on the door saying, 'If you want to commit a crime in Mount Evelyn, just make sure you don't do it between 6 and 8 o'clock on Monday, 6 and 8 o'clock on Thursday, and 4 and 7 o'clock on Saturday.'!

Mrs Peulich — On a point of order, Mr Speaker, I am not sure whether the minister is suggesting that the Mount Evelyn police could undertake policing requirements in the Bentleigh district. Can he provide information on how many helicopters he will put at their disposal? He is clearly not addressing the needs I have raised.

The SPEAKER — Order! The honourable member for Bentleigh knows better than most honourable members that she cannot raise a point of order to make a point in debate. There is no point of order.

Mr HAERMEYER — The honourable member for Bentleigh raised a matter that is symptomatic of the problem. The shortage of police across the state was created by the Kennett government through a process of deliberate attrition.

Mr Leigh interjected.

Mr HAERMEYER — The honourable member for Mordialloc can check the Victoria Police annual reports. Over a three-year period numbers were reduced from well over 10 300 to a figure below 9500. That creates a problem across the state. The electorate of Bentleigh, as with almost any electorate, has been affected by those savage cuts to the Victoria Police

strength. The government was elected on providing — —

Mrs Peulich — On a point of order, Mr Speaker, I direct your attention to the fact that the former Labor government closed three police stations in the Bentleigh district.

Honourable members interjecting.

The SPEAKER — Order! The house will come to order. There is no point of order. The honourable member for Bentleigh is verging on taking points of order that are spurious. I will call them such if she persists.

Mr HAERMEYER — The problem in the honourable member's electorate is symptomatic of the general problem. As a matter of priority the government will provide 800 additional police on the ground for Victoria Police by mid-2003. By June last year, Victoria Police had 9450 police officers. By June 2003 there will be 10 300 police in Victoria. That is a significant increase. It is a delivery on the commitment the government has given. The decision to allocate and deploy those police across the state is an operational one for the police commissioner, but certainly — —

Honourable members interjecting.

The SPEAKER — Order! The honourable member for Mordialloc.

Mr Honeywood — All the new stations are in Labor electorates.

The SPEAKER — Order! The opposition front bench will cease interjecting.

Mr HAERMEYER — The honourable member for Warrandyte says all the new police stations are in Labor electorates. Six of them are in the electorate of the honourable member for Polwarth!

He is not a member of this government, or is he telling us something we do not know? Is there a defection in the air? The honourable member for Warrandyte seems to have a fixation with police stations, but his government never had any police to put in them! The Labor government is providing an additional 800 police.

I will raise with the chief commissioner the specific concerns mentioned by the honourable member for Bentleigh about policing in her electorate. As additional police officers graduate from the academy — the parade grounds are full and will be full for the next four years as approximately 2300-plus police are churned

out to cover the attrition rate and provide additional police — the chief commissioner will deploy them according to the needs as he sees them. The concerns expressed by the honourable member for Bentleigh are understood. I will communicate them to the chief commissioner and ask him to factor them into his deployment of additional police as they come on line.

Mr BATCHELOR (Minister for Transport) — The honourable member for Kew referred to a request for a pedestrian refuge in Bulleen Road near the Bellevue kindergarten. He outlined how the traffic had increased in the area over the past few years and the resultant concern of local residents, particularly parents and grandparents taking children to and from the kindergarten. Bulleen Road is a busy road and it is the view of local residents that some sort of assistance through the construction of a pedestrian refuge would be of great benefit. The honourable member rightly indicated that Vicroads has acknowledged it as a project for consideration to be determined with all other priorities in forthcoming budgets. I will ask Vicroads where it is in its priority list.

I also invite the honourable member for Kew to consider making an application when the accident black spot funding guidelines are announced. The government will invite all members of Parliament to think about accident black spots in their areas and will encourage them to work with local community organisations and councils to nominate areas they and their communities believe should be considered under the black spot funding program. Those guidelines should be issued reasonably soon. It is the sort of project that should be considered under that program. I will ensure the honourable member and organisations in his electorate have access to the guidelines. In the meantime I will ask Vicroads to ensure sure it has thoroughly investigated what needs to be done and where it fits into its priorities and budget programming.

The honourable member for Ballarat East raised with me the Western Freeway–Deer Park bypass. The honourable member is always taking up issues that will improve access to Ballarat, whether by road or rail. Even though the project is not being undertaken in his electorate, clearly it will be of great benefit to people travelling between Melbourne and Ballarat. It will assist those who use the freeway system.

It is interesting to reflect on the process that has been undertaken by both governments to resolve some of the planning issues associated with this part of the freeway upgrade. It goes back to December 1998, when a planning assessment report that followed a comprehensive investigation by Vicroads was placed on public exhibition. That report focussed on two

alignments — one identified as option 5, just to the south of the railway, and option 2, further to the south along Middle Road. Both options were the focus of attention. They met the transport objectives in a similar manner and had similar construction costs.

Following a hearing, an independent panel appointed by the then Minister for Planning and Local Government in March 1999 reported in May 1999 and recommended the adoption of option 5, subject to a study of soil contamination at the former ICI site, which would have been traversed under that option. The report of the panel and the response by Vicroads were considered by the Minister for Planning. As a result the minister wrote to Vicroads in November 1999 stating that he was not prepared to accept option 5 and requesting the preparation of an amendment for option 2. That was provided in late December 1999.

Honourable members will realise there has been a long history of trying to resolve the planning issues in the Deer Park area. Where it rests at the moment is that the now Minister for Planning has had discussions with the local councils and local interests — he has sought the views of the City of Brimbank — prior to making a decision. Vicroads has assisted on a number of technical aspects and has provided additional traffic estimates at the request of the City of Brimbank.

The government is now waiting to hear the views of the City of Brimbank — it has been requested to advise the Minister for Planning of its views. Once that process has been completed the minister will be able to make a final decision to resolve the planning issues that at this stage are unresolved so that we can then get on with the subsequent stages. The matter has been difficult to deal with, as are most planning issues. The government is working through the issues as quickly as possible in consultation with residents of the area that will be affected by the bypass. Once that has been completed work can proceed on finalising the other matters so that the project can go ahead.

Ms PIKE (Minister for Housing) — The honourable member for Geelong raised an issue with me concerning what the government is doing to help homeless people and those in insecure housing in the Geelong and Barwon South West regions. I strongly believe that all people, irrespective of their circumstances, are entitled to secure and affordable housing and access to services in the community that most often take for granted.

Last week I announced funding of \$2.5 million for the Community Connections program. The program will employ 31 people right across Victoria who will work

with some of the most disadvantaged members of the community who are living in insecure accommodation.

I am pleased to advise the honourable member for Geelong that \$694 000 from that allocation will go to the Barwon South West region. I was pleased to visit a program in that area recently and meet with people from the St Laurence community services program and the Brophy Family and Youth Services in the Warrnambool area. I met some of their clients from a day program in a small facility near Cardinia Park in Geelong and announced the funding and the extension of that program.

That was a good opportunity for me to bring together my responsibilities as Minister for Housing and Minister for Aged Care and try to deal in a proactive way with the cycle of homelessness and disadvantage which is often perpetuated when people do not access mainstream services.

Ms CAMPBELL (Minister for Community Services) — I will refer the matter the honourable member for Springvale raised to the Minister for Health.

Mr Leigh — On a point of order, Mr Speaker, first, the member for Springvale did not ask the Minister for Health to take any action and second, the member is not in the chamber.

The SPEAKER — Order! A similar point of order was raised earlier in the evening and the Chair held that the honourable member was in order in asking for government action. There is no point of order.

Ms CAMPBELL — The matter raised by the honourable member for Springvale related to the poisons schedule and the advisability of deer penis wine being listed in it. I will refrain from suggesting he might also ask for an antidote.

The honourable member for Mooroolbark raised a matter for the Minister for Environment and Conservation about the Kilsyth South spider orchid and requested that it be put on the species list of the Flora and Fauna Guarantee Act. I will refer that request to the minister.

The honourable member for Benambra raised with the Minister for State and Regional Development the need to ensure that the ski lifts at Falls Creek are placed in the most appropriate site. I will ensure that the minister receives that information.

Motion agreed to.

House adjourned 6.03 p.m. until Tuesday, 30 May.

QUESTIONS ON NOTICE

*Answers to the following questions on notice were circulated on the date shown.
Questions have been incorporated from the notice paper of the Legislative Assembly.
Answers have been incorporated in the form supplied by the departments on behalf of the appropriate ministers.
The portfolio of the minister answering the question on notice starts each heading.*

Tuesday, 23 May 2000

Multicultural Affairs: Christmas 1999–New Year 2000 holidays

181. MRS SHARDEY — To ask the Honourable the Minister for Multicultural Affairs — what was the total cost to the Minister’s departmental budget of the three additional public holidays gazetted during the Christmas Day, Boxing Day and the New Year’s Day period in December 1999 and January 2000.

ANSWER:

The Government gazetted two, not three, additional public holidays to allow Victorian families to celebrate the new millennium: Boxing Day, Sunday, 26 December 1999, and New Years Day, Saturday, 1 January 2000. No additional public holiday was gazetted for Christmas Day by this Government. The previous Government gazetted Tuesday, 28 December 1999, as a substitute holiday for the Christmas Day Saturday.

The Government decided to declare the two public holidays in a special, one-off arrangement in recognition of the unique nature of the new millennium. This decision was consistent with the approach taken by every other state in Australia and allowed Victorian families to enjoy the new millennium celebrations in the same way as families in every other part of Australia.

Negotiations were commenced under the previous Government on special payments for employees required to work during the millennium celebrations prior to the declaration of the additional two public holidays.

Multicultural Affairs: office relocations

188. MR KOTSIRAS — To ask the Honourable the Minister for Multicultural Affairs — what was the total cost of relocating from 1 Macarthur Street to 1 Treasury Place (including transport costs, storage costs, removalist costs, staff overtime and office equipment) the offices of — (a) the Parliamentary Secretary to the Premier on Multicultural Affairs; (b) the Victorian Multicultural Affairs Unit; and (c) the Victorian Multicultural Commission.

ANSWER:

I am informed that:

The above groups were relocated from Level 3 1 Macarthur Place to Level 3 1 Treasury Place in the first week of February 2000. The advantages of this was that administratively all DPC divisions which could reasonably be co-located were located in 1 Treasury Place.

- (a) The total cost for the Parliamentary Secretary was \$942.
- (b) The total cost for the Victorian Office of Multicultural Affairs (9 staff) was \$13,225.
- (c) The total cost for the Victorian Multicultural Commission (5 staff) was \$7128.

The total cost of the removal was \$21,295. This included architect’s costs, removal costs, minor building works, minor repairs, changes to phone lines, workstation reconfiguration and airconditioning adjustments. There were no staff overtime, storage or immediate stationery costs incurred as a result of the removal.

