

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

LEGISLATIVE ASSEMBLY

FIFTY-FOURTH PARLIAMENT

FIRST SESSION

22 November 2000

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By authority of the Victorian Government Printer

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His Excellency the Honourable Sir JAMES AUGUSTINE GOBBO, AC

The Lieutenant-Governor

Professor ADRIENNE E. CLARKE, AO

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FIFTY-FOURTH PARLIAMENT — FIRST SESSION

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| 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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Wednesday, 22 November 2000

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

PETITION

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

City Link: Monash pass

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

The humble petition of the undersigned citizens of the state of Victoria draws to the attention of the house that the present City Link day pass tolls are a disadvantage to people living in the south-east of Melbourne who are only occasional users of the tollway.

Your petitioners therefore pray that a Monash pass be introduced on the southern part of City Link.

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

By Mr STENSHOLT (Burwood) (194 signatures)

Ordered that petition presented by honourable member for Burwood be considered next day on motion of Mr STENSHOLT (Burwood).

PAPERS

Laid on table by Clerk:

Auditor-General — Performance Audit Report — Grants to non-government organisations: improving accountability — Ordered to be printed

Barwon Health — Report for the year 1999–2000

Casterton Memorial Hospital — Report for the year 1999–2000

Colac Community Health Service — Report for the year 1999–2000

Coleraine and District Hospital — Report for the year 1999–2000

Financial Management Act 1994 — Report from the Minister for Consumer Affairs that she had not received the Residential Tenancies Bond Authority 1999–2000 annual report, together with an explanation for the delay in tabling

Freedom of Information Act 1982 — Report of the Attorney-General on the operation of the act for the year 1999–2000

Hesse Rural Health Service — Report for the year 1999–2000

Heywood and District Memorial Hospital — Report for the year 1999–2000

Infrastructure, Department of — Report for the year 1999–2000 (in lieu of report previously tabled on Wednesday, 1 November 2000)

Lorne Community Hospital — Report for the year 1999–2000

Moyness Health Services — Report for the year 1999–2000

Otway Health and Community Services — Report for the year 1999–2000

Portland and District Hospital — Report for the year 1999–2000

South West Healthcare — Report for the year 1999–2000

Timboon and District Healthcare Service — Report for the year 1999–2000

Vicfleet Pty Ltd — Report for the year 1999–2000

Western District Health Service — Report for the year 1999–2000.

VICTORIAN QUALIFICATIONS AUTHORITY BILL and VICTORIAN CURRICULUM AND ASSESSMENT AUTHORITY BILL

Concurrent debate

Mr BATCHELOR (Minister for Transport) — By leave, I move:

That this house authorises and requires the Speaker to permit the second reading and subsequent stages of the Victorian Qualifications Authority Bill and the Victorian Curriculum and Assessment Authority Bill to be moved and debated concurrently.

Motion agreed to.

MEMBERS STATEMENTS

International Day of People with a Disability

Mrs ELLIOTT (Mooroolbark) — In the house yesterday the Premier invited all honourable members to join him in the Walk for Reconciliation on Sunday, 3 December, which is also the International Day of People with a Disability 2000. The Premier has also invited all welfare agencies to contribute to the drafting of the next state budget.

I remind the Premier, the Minister for Community Services and the Treasurer of the findings of the Auditor-General's report into services for people with an intellectual disability, and of the letter to all honourable members from the Association for Children with a Disability, which points out that there are more

than 2500 children with a disability on waiting lists for early intervention services in Victoria.

The Walk for Reconciliation is important and has bipartisan support. The International Day of People with a Disability 2000 is also important and merits strong support from all honourable members. I will be attending an Attitudes art exhibition by artists with a disability at the Mooroolbark Community Centre.

Trams: Niddrie electorate

Mr HULLS (Attorney-General) — The Milleara Tram Action Group in my electorate of Niddrie has been formed in response to a perceived community need for improved public transport to better service the Avondale Heights, East Keilor and adjoining communities. I have regularly met with the action group and local residents who are interested in the issue. Although a bus service is already available along Milleara Road, the action group and others in the community feel that that service is inadequate.

The action group has put together a petition bearing the signatures of approximately 4500 people from the community. The petition seeks an extension of the tramline from the West Maribyrnong terminus to Avondale Heights–East Keilor, along Canning Street and Milleara Road. Although the petition is not in the proper form, I will be handing it to the Minister for Transport for his consideration. The issue of improved tram transport is a matter for the private tram operators. However, the Niddrie community's recent great victory of an announcement of a new development at the Niddrie quarry site will make public transport in the area more important.

I shall be asking the local tram operator, Swanston Trams, the local council and the Department of Infrastructure to put together a feasibility study in relation to the proposed tram route along Milleara Mall. It is appropriate that the private operator contribute to the important feasibility study.

Horsham: tidy town award

Mr DELAHUNTY (Wimmera) — I congratulate the Rural City of Horsham for having reasserted its dominance as the state's tidiest town by scooping the awards at the Keep Australia Beautiful Victoria awards in Bendigo some weeks ago. Horsham will now vie for national honours after finishing ahead of Ballarat, Bendigo, Bairnsdale and Wangaratta in Victoria's rural city category awards.

Horsham Rural City Council won eight sections, including awards for Victoria's tidiest town and best

sports ground facility management. It is the second time Horsham has represented Victoria in national Keep Australia Beautiful finals. Horsham's first national final was in 1996. Projects at Stawell, Dimboola and Nhill also won awards.

The award judges commended Horsham projects, including Coughlin Park Bowling Club facilities, Horsham College students' involvement in the Adopt-a-Highway and Adopt-a-Spot programs, Horsham Lutheran Primary School grounds and buildings, a Wimmera River environmental display mural in Sawyer Park and Sunnyside Lutheran Retirement Village. The judges made special mention of Nexus, a centre for youth in Victoria using Horsham's old fire station.

Again, I congratulate the Rural City of Horsham and wish it all the best in next month's national judging.

Martial Arts Games

Mrs MADDIGAN (Essendon) — I congratulate Mr Sam Gervasi and his committee who organised the Martial Arts Games Australia 2000, which I attended on behalf of the Premier on Saturday, 28 October.

This was the first time that the tournament was organised, and a number of countries participated. Apart from Australia there were representatives from Trinidad and Tobago, Canada, Grand Cayman, Antigua, United States of America, Tortola and Turkey. As in the Olympic Games, Australia did extremely well in the medal tally.

It was a great experience for people from overseas not only to come and participate in various martial arts forms, but also to have the opportunity to see various tourist sites around Victoria. It was certainly a worthwhile exercise which allowed young people to meet people from other countries and enable them to participate in an exchange of ideas.

As I said, the Martial Arts Games have not been held before. The organising committee is working hard with overseas countries to ensure that they continue in the future and are hoping to organise a future event in 2002, hopefully again in Melbourne. It is an event that we can all support and an area in which Australia has done exceptionally well, particularly in light of Australia's gold medal win in tae kwon do at the Olympic Games, which has raised expectations and interest in martial arts in Victoria.

Kew: community thanksgiving service

Mr McINTOSH (Kew) — I wish to express my sincere thanks and appreciation to the Kew Returned Services League sub-branch — its president, Terry Nolan, and secretary, Maurice Boyce — for conducting the second community thanksgiving service held at the Holy Trinity Church in Kew.

It is a time when the community pauses to remember and give thanks to ex-servicemen and ex-servicewomen who have served this nation in conflict. The Kew RSL organises a special service on behalf of the Kew community to express its thanks and appreciation to the organisations and individuals who provide services to our community in peacetime. Participating in this year's service were representatives of the Victoria police force, Metropolitan Fire Brigade, Metropolitan Ambulance Service, Legacy, Kew senior citizens, Australian Red Cross, Rotary Club and many other service organisations, including students from local schools, councillors from the City of Boroondara and residents of Kew.

This is a wonderful idea and my congratulations are extended to the Kew RSL for its initiative. I also express my deep appreciation to Reverend John Jessup, the vicar of the Holy Trinity Church, for conducting the second service. It is so important that these citizens are recognised by our community for the essential and wonderful services they have provided.

Teaching Farms program

Mr HARDMAN (Seymour) — I advise the house of the Teaching Farms program, which has operated in Victoria for many years. The basis of the program is that a group of students from a city school, either primary or secondary, are billeted by a country family and participate in activities both at a country school and with a country family.

The committee of Teaching Farms, which I have chaired this year, is ably coordinated by Rosemary White from the Country Education Project and has representatives from Department of Education, Employment and Training, Victorian Farmers Federation, Department of Natural Resources and Environment and Department of State and Regional Development.

This year, 10 schools participated and I am advised that 20 schools are ready to go next year. The students from the city schools experience the freedom that a country lifestyle offers, and they notice the difference in

amenities — for example, there are no McDonalds restaurants on every street corner!

I encourage all local members of Parliament to help promote this great activity that provides lots of benefits for the children who participate. When I was a head teacher at Harrow Primary School, a city student participated in the program and attended the school, and I recommend the experience as a valuable one for all concerned.

Ambulance services: Timboon

Mr VOGELS (Warrnambool) — On behalf of the residents and community members of Timboon and district I have a petition bearing 1365 signatures in support of the basing at Timboon of a permanent ambulance paramedic. I will pass the petition on to the Minister for Health and Doug Kimberley, the chief executive officer of Rural Ambulance Victoria.

At present RAV is conducting a statewide review of ambulance services in rural Victoria, and I know it will be undertaking it diligently. More than 10 000 people in the Timboon district have no ambulance service, and neither do the million tourists who travel down the shipwreck coast each year. I urge the minister and RAV to look past the statistics of past use, which are always dragged out on these occasions. Because in the past there has been no permanent ambulance service, local residents have taken seriously ill or injured people to hospital by car or even in the back of utes. Those figures do not show up in the statistics.

The people of the Timboon district look forward in the not too distant future to the minister's due consideration of and positive response to their request.

West Gippsland Healthcare Group

Mr MAXFIELD (Narracan) — On Monday I visited the West Gippsland Healthcare Group in Warragul, which is currently undergoing a \$6 million refit. A new emergency department is now in operation, and I put on the record how impressed I am with its design and layout. It is a great improvement on the old emergency department it replaced.

A new day surgery area is nearing completion, and it, too, will be a tremendous improvement on the old facility. I place on record my admiration for the chief executive officer, Ormond Pearson, and the chair of the board, Anne Longmire, who have overseen the work currently under way at the hospital. I am impressed with the staff, who have worked under very difficult conditions, including while holes were being knocked

in walls; drilling, banging and bashing were in progress; and amid dirt and dust.

I place on the record my appreciation for the tremendous work the doctors, nurses and other health workers at the hospital have done. They have worked in a difficult environment and will continue to do so over the next few months as the refurbishment continues. I am proud of this great hospital and look forward to many years of wonderful service from it. I am pleased to be the local member for the area.

Relay for Life

Ms McCALL (Frankston) — I place on record some good news about Frankston. Everyone is a bit tired of hearing bad news in the media and on radio. Last week more than 1000 members of the Frankston community participated in the Relay for Life to raise more than \$60 000 for cancer research. I place on the record my thanks to 11 of my parliamentary colleagues who walked around the Ballam Park athletics track, some of whom are being quite vocal in the chamber this morning. I thank my electorate office staff and one of the daughters of a staff member, who shared a tent overnight. It is the first time I have camped out for many years.

The event was an excellent example of how the Frankston and Mornington Peninsula communities can pull together. The Liberal Party team won the prize for the tent that most notably represented the Liberal Party. No members of the Labor Party were visible; no Labor members of Parliament were present. I place on record my thanks to all the people involved in making it a great Frankston community event, including the Monash University Student Union.

City Link: Monash pass

Mr STENSHOLT (Burwood) — This morning I lodged a petition signed by many motorists from the south-east calling on City Link to introduce a Monash pass on the southern link that connects with the Monash Freeway. The Monash pass I propose would be similar to the Tulla pass — a cheaper day pass for motorists who want to go only a short distance on City Link a few times a year, for example, to attend the football, cricket or tennis, go to the arts centre, or perhaps to do some Christmas shopping or visit one of the city hospitals. The Royal Automobile Club of Victoria supports the concept of a Monash pass, which would be considerably cheaper than a day pass for the whole of City Link.

I see no reason for the people in the south-east not to have the same facility as people who travel on the Tullamarine section of the system. I call on City Link to introduce as soon as possible a Monash pass as part of the new pricing schedule it is set to introduce in the near future when the Burnley Tunnel opens. I urge other people in the south-east to support the call for such a pass, which would be a great boon to motorists, particularly the elderly and others who do not frequently use the freeway.

The SPEAKER — Order! The honourable member for Bennettswood has 1 minute.

Minister for Health: nurse database

Mr WILSON (Bennettswood) — I raise the very disturbing matter of the Minister for Health using the database of the Nurses Board of Victoria to send a highly political letter to all nurses registered with the board. The opening paragraph of that letter states:

For too long the commitment of Victoria's nurses has been taken for granted. But with the introduction of significant improvements to nurses' working conditions, the vital role of nurses is not only being recognised, but rewarded as well.

The letter concludes with a postscript from the minister that reads:

This letter has been forwarded through the Nurses Board of Victoria to protect your privacy.

Nurses who have contacted my office are very disturbed by what they consider to be a most unacceptable breach of their privacy. I am very disturbed, as are a number of nurses to whom I have spoken, that the minister has chosen to go down this path and that the Nurses Board of Victoria cooperated. I trust that the board will cooperate with the Privacy Commissioner if aggrieved nurses seek redress through that forum.

Finally, I would be most interested to know the attitude of the Minister for Health and the Nurses Board of Victoria if a private nursing recruiting agency sought access to the board's database to entice nurses from the public sector to the private sector. I suspect the attitude of both the minister and the board would be very different.

The SPEAKER — Order! The time set down for members statements has expired.

SCHOOLS: FUNDING

The SPEAKER — Order! I have accepted a statement from the honourable member for Warrandyte proposing that the matter of public importance set down for discussion today be:

That this house notes with concern the actions of the education minister Mary Delahunty in relation to the funding of government schools.

Honourable members interjecting.

Mr HONEYWOOD (Warrandyte) — Members on this side can understand why members of the government are very precious and defensive today. Who would not be after seeing the media reports about this disgraced minister?

The theme of my contribution today is that good teachers should not have to resort to becoming nomads or be uprooted from their family homes in regional Victoria to live elsewhere, but should be supported by any government. If teachers become nomads simply because their schools could not afford them, that is an outrageous indictment of the government's so-called support for excellence in the teaching profession.

Ironically, the Minister for Education travels around the countryside saying in media interview after media interview that the previous government ensured that there will be a lack of supply of teachers in future. Her flawed model will result in Victoria suffering a shortage of teachers because many good teachers, having spent years contributing to bolstering the government school sector and not being prepared to be nomads, will either jump into the private school system — that is, take the option of going into the other system — or leave the profession. For example, what will the teacher wife of a farmer near Warrnambool or Wodonga who has been teaching at the local government high school for 20 years do on being told suddenly, 'I'm sorry, but because of Mary Delahunty's new funding formula, I can't afford you, I can't keep you on my staff'? Will that teacher uproot her family and will the family sell the farm and move to a town that might be able to employ an experienced teacher, will she chuck in the job or will she seek to move into the private school sector?

The funding formula is not at all about bolstering the teaching profession; it is all about providing cheap teachers to the government school system. The opposition wants a balanced approach, to ensure that every government school has a combination of excellent teachers with experience who are paid accordingly and teachers fresh out of graduate school

who can bring new ideas and energy to a school community. The two together will provide the appropriate mix to ensure that the right balance is achieved in the teaching profession in any school.

Let us examine the background to the situation that has given rise to this matter of public importance. A mystery hangs over the Minister for Education, and the key to solving it is to discover how she manages to constantly announce new spending initiatives with no corresponding increase in her department's budget. It is probably appropriate that the Treasurer is in the chamber today, because I understand that in cabinet discussions he has been somewhat aggrieved by the minister — he has had to haul her in.

No further evidence of that is necessary than the fact that Mary Delahunty, the Minister for Education, went out and said that under new teachers pay arrangements 100 per cent of teachers could potentially qualify for bonus payments.

Ms Beattie — On a point of order, Mr Speaker, the honourable member for Warrandyte should refer to the minister by her correct title.

The SPEAKER — Order! I do not uphold the point of order.

Mr HONEYWOOD — I predict that many honourable members opposite will be jumping to their feet this morning to try to create delays because they do not want scrutiny of this flawed minister.

That is the claim the minister made about the new teacher pay deal — a sweetheart deal with Mary Bluett from the teachers union that involved no consultation with the principals. No wonder they were aggrieved: they were locked out of any negotiations on the pay deal and the new funding formula, yet who gets to implement those things? Who are the ones at the coalface who have to implement all the minister's flawed funding models in the school communities? The principals! When did they find out about the minister's requirement of them? They found out at the end of last week, two months late.

Every year for the past seven years school global budgets have come out in September, and this government has brought them out late in November, when the school year is about to finish and schools cannot even advertise teacher vacancies in time for the coming year. The minister claimed that 100 per cent of teachers would be able to qualify for teacher performance bonuses. A week after she said that the Treasurer jumped to his feet and said in an exclusive

interview with the *Age* newspaper that, no, only 30 per cent would be able to qualify for the bonuses.

Why did the Treasurer jump in and contradict his Minister for Education? It is obviously because a budget blow-out is occurring and the Treasurer, as liberal as he is when it comes to spending money — it is part of the Bracks government style — is worried that the budget is getting out of control.

When we consider the mystery surrounding the ability of the Minister for Education to pull new programs out of the air, we note she has been able to make many of the so-called new initiative announcements on primary school classes, literacy, compulsory school sport, and even recently on compulsory Australian history lessons for prep to year 10 students, through one magic pudding funding source — namely, secondary and even primary school global budgets. The vast majority of secondary schools have only just woken up to who must pay the piper.

We have only just discovered, 21 days from the end of the school year, what the minister has been cooking up for Victorian schools. Virtually every year for the past seven years schools have received their school global budgets on time, yet this minister has provided them in November — too late, of course, for the next school year. Principals have expressed concern over recent weeks that a two-month delay in receiving their budgets for the 2001 school year was sailing a bit too close to the wind. However, they kept a lid on their misgivings, at least in the knowledge that they were well trained in how to implement the standard budget formula quickly and efficiently. I say the 'standard' funding formula, which has been in place for years. Of course they know how to implement that, even though in this case the budgets were given two months late.

It is not difficult to understand the principals' complete surprise when, without any prior consultation, this arrogant Minister for Education sprung on school chief executives — principals — a totally new funding formula for their global budgets. Yet is this not the same minister who claimed to have made a virtue out of consultation? Is it not the very minister who took the moral high ground by advocating that the Bracks government was different from the previous government because it wanted to 'engage in a conversation with the education community'? But why were Victorian principals so mistrusted by this arrogant minister that they were excluded from her definition of 'education community' in the context of her having a 'conversation with the education community'?

For six months the minister was content to negotiate closely with her friend from the teachers union, Mary Bluett, on the \$326 million teacher pay hike. Indeed, Mary Bluett crowed about the special relationship she had with the Minister for Education when she said, as reported in the *Age* of 9 October 2000, that the president of the Victorian Association of State Secondary Principals, Mr Brierley, was being alarmist about the teacher pay deal because the agreement was not made with his union. The two Marys did a cosy deal and locked out the principals from the consultation process. Yet the Minister for Education reacted with stunned dismay when the principals said they could not implement something into which they had had no input. No doubt Mr Brierley was upset about being locked out of the teacher pay negotiations.

According to the Australian Education Union's own newsletter of two months ago the teacher pay deal was meant to be finalised by 31 August this year. Yet now, in late November, individual AEU sub-branches throughout different schools are still going through the motions of endorsement, with the Australian Industrial Relations Commission yet to finalise the teacher pay deal this late in the school year. Can honourable members imagine the stress that is causing school principals in trying to work out the staffing profile when they are not even aware whether or not the pay deal will be locked in?

The principals began to grapple with the features of the pay deal, such as the fact that the subdivision 12 teachers could be promoted to the new teaching category of experienced teacher with extra responsibilities and the 18 per cent pay rise that goes with it. The teacher performance pay was introduced, for which the minister said potentially all teachers could qualify but which the Treasurer subsequently translated as applying to only 30 per cent of teachers. Just when all that was being put into place by the principals, who were stunned because of the lack of consultation, and just when they were about to make earnest inquiries about how the two Marys' pay deal would have to be implemented, along comes the second surprise package last week of the new school global funding.

Dr Napthine — Where is Mary?

Mr HONEYWOOD — I can understand why the Minister for Education is not here. She does not regard this issue as being of public importance. She probably has not even prepared for this issue. We know the minister needs the autocue; she needs to have typewritten notes in front of her to be able to deliver a response. Honourable members saw only yesterday that she had a typewritten chart listing a whole range of

schools, from which she read selectively. In selectively reading from that chart she was protected from having to table it. For the second time the minister had to explain away how she could argue that a typewritten chart could be regarded as personal notes.

When the global budget came out last week the principals discovered that the only way they could have dialogue with the minister was by emergency consultations at the eleventh hour.

Mr Batchelor — On a point of order, Mr Speaker, the honourable member for Warrandyte made reference to typewritten notes as being not — —

Dr Napthine — Reading from a chart — that's what she was doing.

Mr Batchelor — It is difficult not to — —

Dr Napthine interjected.

The SPEAKER — Order! I ask the Leader of the Opposition to cease interjecting.

Mr Batchelor — The honourable member for Warrandyte has misled the house. I ask you, Mr Speaker, to clarify the matter, because he should not mislead the house and it goes to the nub of what is important in the house. Honourable members are entitled to refer to handwritten and typed notes.

The SPEAKER — Order! I have heard sufficient from the Leader of the House. The issue arose yesterday during question time, and I have previously ruled on members making documents available when quoting from them as opposed to using notes as part of a contribution. I inform honourable members that if it continues to be an issue that concerns the house I will make a statement today to make it absolutely clear what is required on the matter. I will not tolerate more points of order from either side of the house on the matters referred to yesterday.

Mr HONEYWOOD — I thank the other side of the house for ensuring that at least 4 minutes of my 15 minutes have been taken up by interjections and points of order.

Mary Delahunty, the Minister for Education, should be sacked.

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

Mr HULLS (Attorney-General) — All honourable members realise it is a rubbish matter of public importance — —

Mr McArthur interjected.

The SPEAKER — Order! The honourable member for Monbulk!

Mr HULLS — The matter has been raised by a shadow minister whose party has no credibility — absolutely none! — on education. When it comes to education the credibility of the mob that closed hundreds of schools and sacked thousands of teachers in Victoria is zilch. They cannot be believed. They make Pinocchio look like he has a button nose! They make Pinocchio look like he has had a Michael Jackson nose job!

Mr Smith interjected.

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

Mr HULLS — The shadow Minister for Education called on the Minister for Education to resign. She wears that call like a badge of honour because it means she is getting up the long nose of the opposition. She is undoing the policies of and the damage that was wrought by the mob on the other side. She is fixing up their mess, and they do not like it. She wears the call for her to resign like a badge of honour, and good luck to her. I have been asked to resign by the shadow Attorney-General. I also wear that call like a badge of honour. If Liberal members keep calling for her to resign, she will keep performing.

There have been some dramatic reforms in education over the past 12 months, including a \$50 million boost to schools at the start of the school year. The Pinocchios on that side of the house do not like it. A \$300 million boost to Victoria's schools was unveiled in the government's first budget to redress the legacy of neglect of the Kennett administration. The government has injected \$25.2 million to provide for the employment of an additional 450 primary school teachers. They do not like it! The government has also injected \$12.2 million to provide for the employment of 200 new student welfare coordinators in secondary schools. They do not like it! Some \$10 million has been provided for 200 full-time support staff in special learning needs schools. They do not like it — and their noses grow longer and longer.

Liberal members keep making false accusations. I will refer to some of the pork pies that Phil has told — the Phil pork pies!

Mr Honeywood — On a point of order, Mr Speaker, I rush to defend myself. According to the Treasurer and the Leader of the House I am not Phil, I

am the honourable member for Warrandyte. I ask that the forms of the house be applied.

The SPEAKER — Order! I ask the house to settle down. The Chair had difficulty hearing some of the remarks of the Attorney-General. The house should be informed that all honourable members, including the Attorney-General, must address other honourable members by their correct titles.

Mr HULLS — The Phil pork pies could be those of Phil Gude.

Mr Honeywood — On a point of order, Mr Speaker, I suggest the buffoon on the other side take his own medicine and come back to your ruling.

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

Mr HULLS — I will refer to some of the statements made by the honourable member for Warrandyte, like the one he made in the house only a few minutes ago. When talking to Virginia Trioli on ABC radio he spoke about school global budgets. He said:

They've received them in September, every year, for the past seven years.

That statement makes Pinocchio look like an honest character.

In 1996 they received them on 9 October. In 1997 they received them on 25 November. It is a false statement. If you want to talk about telling porkies — —

Opposition members interjecting.

The SPEAKER — Order! I have already asked the house to settle down. That level of interjection is not acceptable.

Mr HULLS — It is not only the government that is talking about telling porkies. There are numerous examples, and I am happy to go through them. It goes to the credibility of the matter raised by a shadow minister and an opposition that has no credibility when it comes to education.

I have a letter addressed to Mr Phil Honeywood.

Mr Smith interjected.

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

Mr HULLS — The letter is dated 10 June 2000.

Mr Honeywood — What does it say?

Mr HULLS — It says:

I am a member of the Montmorency Secondary College school council. At our most recent council meeting a copy of your flier 'Delahunty's asbestos secrecy fully exposed' was tabled. I am personally appalled that a responsible elected official like yourself could allow such a cacophony of half truths, faulty logic and personal abuse to go out under your name.

Pork pie no. 1.

Mr Honeywood — Who is that from?

Mr HULLS — That is signed by Michael Paul of Greensborough. He also sent a copy of that letter to the honourable member for Eltham, Wayne Phillips.

Mr Honeywood interjected.

Mr HULLS — Sooky La-la!

The SPEAKER — Order! The Attorney-General shall refrain from such comments.

Mr HULLS — An article that appeared in the *Doncaster Templestowe News* of 19 July states:

Templestowe College has questioned the opposition's handling of the class-size debate describing figures for the school as misleading and alarmist.

Pork pie no. 2.

Opposition members interjecting.

Mr HULLS — There's more!

The SPEAKER — Order! I ask the Attorney-General not to throw things around the house in that manner.

Mr Smith interjected.

The SPEAKER — Order! I warn the honourable member for Glen Waverley.

Mr HULLS — An article that appeared in the *Cobram Courier* of 5 July states:

Cobram Secondary College's principal has branded statements —

from the shadow minister —

which purport one of its English classes has 28 students as 'misleading'.

...

Ms Nolen said Mr Honeywood's statement was misleading because it was based on student-census data, rather than the reality of school classes.

That is another porkie!

Mrs Peulich — On a point of order, Mr Speaker, I remind the house and yourself that the matter of public importance states:

That this house notes with concern the actions of the education minister Mary Delahunty in relation to the funding of government schools.

To date the Attorney-General has not been relevant. Under scrutiny are the actions of the government and the current Minister for Education, and I ask you to draw him back to the substance of the matter of public importance.

The SPEAKER — Order! In my view the terms of the matter of public importance are broad in that they allow discussion of the minister's action in relation to the funding of government schools. I have listened carefully to the Attorney-General and I am not prepared to rule him out of order at this stage. I ask him to ensure that he keeps his remarks to the parameters of the matter currently before the Chair.

Mr HULLS — The matter clearly states:

That this house notes with concern the actions of the education minister Mary Delahunty in relation to the funding of government schools.

It was raised by a person claiming to have credibility in the education area. Funding of government schools deals with a range of things, including class sizes, teachers, funding and funding formulas.

An article in the *Berwick Leader* of 19 July states:

A dispute over English class sizes has erupted with Koo Wee Rup Secondary College incorrectly placed as among the most crammed ...

Again the shadow Minister for Education was blamed for incorrectly quoting figures. People at the coalface of Victoria's education system are saying that the shadow minister and the opposition have absolutely no credibility when it comes to education. There is a reason for that. While 3000 teachers were being sacked, and while hundreds of schools — —

Honourable members interjecting.

Mr HULLS — Sorry, 8000 teachers — it is worse than most honourable members thought. While 8000 teachers were being sacked and more than 300 schools were being closed, the shadow minister was the Minister for Tertiary Education and Training. He never put his hand up to stop any of those sackings or closures. Why? Because he was involved in the forced amalgamations of TAFE's; he left that system

broke; he took huge delegations overseas that delivered nothing for Victoria; and he bought the wrong building for the International Fibre Centre at Geelong. He did not have the guts to stand up to the then government in its destruction of Victoria's education system.

Why was that so? It may be that he was spending too much time listening to Neil Diamond. He has said that he will be leader of the party if it wants him and that his favourite singer is Neil Diamond! There is a reason for that. His policies were like a half-baked porcupine pie. He has found himself as popular as soggy pretzels. He spends all his nights plotting for the leadership!

Honourable members interjecting.

Mrs Shardey — On a point of order, Mr Speaker, I am conscious of your previous ruling on points of order, but the Attorney-General is now straying away from the topic. He is trying to debate the previous government's performance and personal issues to do with the shadow minister. I ask that he be brought back to the debate at hand.

The SPEAKER — Order! The Chair has been tolerant with the Attorney-General. I uphold the point of order and ask the honourable member to come back to the parameters set down in the matter of public importance statement.

Mr HULLS — If I were the Minister for Education I would be proud to be asked to resign by the opposition. It is like being hit with a feather duster. I would be proud to have been asked to resign for injecting \$105 million into upgrades and new school buildings. I would be proud to be asked to resign over injecting \$65 million into the expansion of vocational education and training programs. I would be proud to be asked to resign for putting \$7 million into schools for new computers.

Mr Honeywood interjected.

Mr HULLS — The shadow minister interjects and says, 'Big deal'. I would be proud to be asked to resign because I had whacked \$1 million into teacher scholarships. I would be proud to be asked to resign by that mob for putting \$25 million into employing 250 information technology specialists for school computer networks.

My suggestion to the shadow minister is that he stop listening to Neil Diamond — that he stop thinking he is a solitary man who wants to be both leader and deputy leader. He should congratulate the government on the reforms it has implemented in the education system. I am proud to be part of the team that has embarked on

such reforms and I am proud to stand beside a reforming Minister for Education.

Mr RYAN (Leader of the National Party) — I support the matter of public interest statement. What a commentary it is on the government that on an issue that directly reflects on country secondary colleges the minister responsible was not the first government member to speak in defence of the government's position. Instead, one of the government's shouters and screamers has been asked to get up and perform his usual tricks. It is a classic throwback to the opposition days. As opposed to promoting the position that the government says is appropriate for secondary schools and primary education in Victoria the Attorney-General trotted out rubbish that was supposed to defend a position I believe is indefensible.

I say the position is indefensible, because over the past 24 hours I have had many conversations with principals of secondary colleges across the length and breadth of Victoria. During the debate I have been asked to name one of them. That indicates how naive the pack on the other side is. Government members expect principals from country Victoria to put their heads above the parapet. The principals know what will happen to them if they do. I can assure those on the government benches that I have had conversations with principals from a variety of sources who are worried about what will happen with secondary education if this formula goes ahead, as the minister says it must.

Principals who are responsible for providing secondary college curriculums are irate because they have not been consulted. Instead of having their budgets made available to them some six weeks ago, as was the normal course under the previous government, they have had this formula dumped on them in the past couple of days, causing absolute chaos. One only needs to talk to principals to see that the minister has caused chaos in secondary schools, particularly those in the country.

However, not only principals but also teachers are concerned, including ironically members of the Australian Education Union (AEU). Teachers across country Victoria are worried about what has happened because they know that taken together the decision and their industrial agreement cannot be given effect to and will cause even greater chaos in our schools. Parents are irate and school communities throughout country Victoria are appalled at the conduct of the minister.

I will examine some of the matters that are pertinent to the issue. The first is that there has been no consultation. The decision has been dropped on people

with the consequence that instead of the usual situation applying of principals being able to set their curriculums and decide on the teachers who will deliver them next year, many still do not know how the formula will translate into the amount of money they will receive. Many will have to wait another week before they are visited by a department official, who is supposed to sit down with them and help them work their way through the formula and determine what it means to them. That in turn means they cannot set curriculums or allocate teachers to teach them.

Another problem in secondary colleges is the high proportion of older teachers. There is a longer term issue to contend with in country Victoria because many of the staff positions in the country are stable. This morning I was speaking to a principal of a major secondary college in country Victoria who said that 86 per cent of his staff are at the level 12 and higher position. Over the next three years he is supposed to completely restructure the way in which his —

Mr Nardella — What school?

Mr RYAN — There is no way in the world I will name his school. The reality is that the school, as is the case with many other secondary colleges around Victoria, has a high proportion of older teachers. That means the school will lose the notion of succession planning because over the next three years it is supposed somehow to make the transition to a staffing mix that will on the one hand retain experience while on the other hand get in younger teachers to achieve a proper balance. Principals have told me they simply cannot do it.

I refer to the transition payments that will be made over the next three years. Principals are asking, 'Transition to what?'. What are they supposed to have after the next three years? They see that the structure they have carefully worked with in running their schools is about to be destroyed — and they are about to be supported in those contentions by members of the AEU.

The change means there is absolute discrimination against country schools. That was emphasised by what the minister said yesterday in an answer during question time. I recognise that I cannot quote from *Hansard* of the current session. However, the tenor of the minister's answer was that some of the smaller regional schools have been subsidising the schools that are easier to staff, particularly in the eastern suburbs of Melbourne. There it is in one hit! The minister wants to use the country colleges around Victoria to solve a problem she perceives herself as having. Victorian country secondary colleges will be at the sharp end of

the stick, and I can assure the minister they will not wear it.

Principals are also faced with the fact that during the period of the transition payments they will have someone from the department sitting on their shoulders telling them how to spend the money in their budgets. That is an absolute fact. Principals who with pride have run their schools with distinction for years will now have to suffer someone from the department telling them how they are supposed to run their schools. It is not only a disgrace but has shattered principals' self-esteem. The minister responsible for this circus ought to be ashamed that there will be de facto flying squads of departmental personnel telling people who have done their jobs proudly that they are inadequate. Principals will lose their treasured flexibility. It is rubbish for the minister and the government to say that is part of the fabric of Victoria at the moment.

The government will have de facto flying squads from the department sitting on the shoulders of principals and telling them how to run matters in their own province.

The longer term plan, as put to me by a principal yesterday, was formed back in the 1980s when the union movement had the fond idea of getting rid of principals and running schools through executive committees. That is what they wanted, and it is coming again.

This morning I was told by another principal that the ballot on the recent agreement is under way. A ballot has to be taken among the staff and the agreement can be accepted and ratified only if 50 per cent plus one of staff support it. The ballot papers are being sent to the principals, who will be responsible for distributing them to members of staff. The sting in the tail, I have been told by a principal, is that when the ballot papers are distributed and the ballot is taken, a principal is obliged to have a member of the Australia Education Union standing beside him or her.

It is an unmitigated disaster, particularly for country colleges. As I said yesterday, instead of going along with the rubbish she has dreamt up in concert with the union movement, the minister should revert to the previous position. At the very least, she should delay what she wants to do and talk it through with the people who know best — the principals, particularly in country Victoria.

Country college principals do not want to be saddled with a position that prevents them from being able to meet the obligations which properly rest on them to deliver the curriculum to country kids. The delivery of

that curriculum is vital to the future of rural Victoria. The minister ought to be ashamed of the manner in which she has gone about this.

Mr MILDENHALL (Footscray) — I have heard some rubbish — —

Honourable members interjecting.

The SPEAKER — Order! I ask the honourable member for Warrandyte and the honourable member for Doncaster to cease interjecting.

Mr MILDENHALL — I have heard some rubbish and hypocrisy and misleading statements in this place before, but the contributions this morning from opposition members take the cake. For the Leader of the National Party to accuse the government of creating chaos and not consulting is — —

Honourable members interjecting.

The SPEAKER — Order! The Leader of the National Party and the Minister for Post Compulsory Education, Training and Employment!

Mr MILDENHALL — I never heard from the National Party as hundreds of schools were closed around country Victoria. To now claim that secondary school principals need the voice of the National Party — —

Government members interjecting.

Mr MILDENHALL — Fifty secondary schools were closed by the previous government. Did we hear one voice of protest or one voice of advocacy on their behalf?

There are other things I have heard this morning that amaze me. The honourable member for Warrandyte is worried about teachers around country Victoria being uprooted. The Kennett government gave 9600 of them departure packages, uprooting them to Queensland and New South Wales and other sorts of jobs.

I remember visiting a school in Buln Buln, in the electorate of Narracan, where I met a brilliant teacher. She was employed by the previous government under an extraordinary contract teaching system that had all the security of bar work. The school said it would love to be able to put her onto the permanent teaching staff, but instead she worked on contract, driving from Hawthorn to Buln Buln every morning. The contract teaching system did enormous damage to the status of teaching as a career, to the stability of the state teaching force and to the wellbeing of schools.

The honourable member for Warrandyte claims there is too much mobility in the teaching force as a result of the recent funding changes. One of the frequent claims made to me by school principals — and members opposite listen to one set of opinions of principals and not others — was that there was insufficient mobility in the teaching force and that to an extent the teaching force had ossified. They cannot have it both ways, Madam Acting Speaker.

On the matter of school global budgets being late, we are still a couple of weeks away from matching the worst of the Kennett government's efforts. In 1997 schools were not informed of any sort of budget until the end of November. It ill behoves the opposition to lecture the government on consultation and mobility in the teaching forces.

The minister should be congratulated, not criticised. It is typical of the opposition that it is focusing on administrative details of the funding formula and missing the big picture, the quantum of resources and the return to a more equitable system. The opposition fails to see the outcomes, the building of an education system the Victorian community is looking for.

Informed commentators, including Professor Peter Hill, praise the new funding formula. Professor Hill says it is more equitable. He was very close to the previous government and was, with Professor Brian Caldwell, a principal author of the Schools of the Future and Self-Managing Schools programs.

The new funding formula means that the previous government's free-market funding formula — by which those who were already affluent got more — is amended to provide a better deal for schools such as those in the western and northern suburbs of Melbourne, and especially schools with many young teachers. Professor Hill knows that, and any independent commentator can see it. Those with an eye on the big picture recognise it and understand that the recovery in quantum of school funding has broad support. That is the context in which opposition comments are being made today.

It is not surprising that principals are eager to participate in a public debate about a funding system. The gag has finally been lifted, and the heavies from the education department and the minister's office are no longer gagging principals and threatening them with all sorts of things.

Honourable members interjecting.

The ACTING SPEAKER (Ms Davies) — Order! The honourable member for Swan Hill!

Mr MILDENHALL — I once visited a school in Ballarat to help physically restrain a child who was out of control and was attacking the teacher. I helped the teacher restrain the child and expressed my concern at the level of support for the child. I suggested I might take the matter further. The principal rang me back and said the regional manager and the education department had contacted him. He had been told that if the matter was made public he would lose his job. He had just been put on a contract. I told him I would not raise the matter provided the support needed for that child was supplied.

That is how the previous government allocated resources. Support was provided for the child, and I was grateful for that; but the funding was based on whether a scandal and disgrace would be made public. Everything was done to shut people up, even if that meant supplying resources the government did not want to supply. Events of that kind were commonplace under the previous government.

Under this government principals are encouraged to have their say, to be advocates for their local communities — and they are. Agreement has been reached: no school will be worse off. The principals have signed up to that. They have had their say and now the deal has been done. So what is the opposition complaining about? There is more money and no school will be worse off. The principals had their say and stuck up for their schools. What is the issue now? What is the problem? It is the politics of personality. The opposition feels like making an attack, particularly on a woman minister, so opposition members are having a go.

Honourable members interjecting.

The ACTING SPEAKER (Ms Davies) — Order! The honourable member for Swan Hill should hold his peace!

Mr MILDENHALL — Unfortunately, you need the facts and the credibility to do that sort of thing, and the opposition has neither. It has no factual base to work from and no credibility. The previous government ransacked education in Victoria. I mention in particular the present shadow Minister for Education, who was an education minister.

The ACTING SPEAKER (Ms Davies) — Order! The honourable member for Rodney is out of his place and is being disorderly.

Mr MILDENHALL — He got up as a member of the previous government and said, 'No schools will be

closed'. Then that government closed another 50 schools.

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

Dr NAPHTHINE (Leader of the Opposition) — Where is the Minister for Education? Where is she in defence of her own record? Where is she getting to her feet and defending her record on this matter of public importance?

Honourable members interjecting.

The ACTING SPEAKER (Ms Davies) — Order! The honourable member for Narracan!

Dr NAPHTHINE — Why is the Minister for Education hiding behind the bullying and shouting of the Attorney-General? Why is she hiding behind the failed former shadow Minister for Education, who cannot even maintain his position on the front bench? Where is the Minister for Education, who cannot even get to her feet and defend her record on education, particularly on the issue of school global budgets?

There is something about Mary. Perhaps she is still waiting for her typewritten notes that she can read to the Parliament and then seek to deny she was reading from, to mislead the house once again and obfuscate the truth, bringing herself and her party once again into disrepute in Parliament. She is afraid to defend herself.

Ms Delahunty — On a point of order, honourable Acting Speaker, I ask you to call the honourable member back to the substance of what we are debating. It is a point of relevance.

Honourable members interjecting.

The ACTING SPEAKER (Ms Davies) — Order! I would like to hear the point of order. The opposition benches will come to order.

Ms Delahunty — The opposition's matter of public importance calls for a discussion about funding of government schools. The house is not hearing one word from the Leader of the Opposition — and we are not sure who the Leader of the Opposition is at the moment — about funding of government schools.

The ACTING SPEAKER (Ms Davies) — Order! I do not uphold the point of order, but I ask the Leader of the Opposition to attend to the substance of the debate.

Dr NAPHTHINE — The nub of the matter is the mismanagement of the education portfolio by the incompetent Minister for Education. A series of issues

go to that mismanagement, but the one that is currently the focus of the community is the fundamentally flawed school global budget formula, which is being described around the community as Mary's monumental mistake.

The school global budgets have been delivered late to schools, which means that school principals cannot administer them as easily and efficiently as they should be able to. At the time the school global budgets were released the minister said:

Every school will be a winner under the new funding model.

She also said:

Not one school will be \$1 worse off.

That is what she said when she released the school global budgets last week. What occurred on Monday night?

Mr Mildenhall interjected.

The ACTING SPEAKER (Ms Davies) — Order! The honourable member for Footscray has had his say.

Dr NAPHTHINE — On Monday night 200 state secondary school principals met at Mooney Valley. At the meeting the Department of Education selected six schools from around the state to show how the school global budget formula — Mary's miracle budget — would work. Those schools were from Bellarine, Belmont, Warrnambool, Ringwood, Balwyn and Eumemmerring. When the chosen schools did their sums, they realised that each and every one of them will be worse off under the formula! On average, the six schools selected by the department to show the principals how the new formula works will be worse off by \$180 000!

Is it any wonder, Madam Acting Speaker, that as a result of that clear demonstration of how the school global budget formula will work, 197 of the 200 secondary school principals from across Victoria supported the motion of no confidence in the minister? They said the minister did not have their confidence, that she was incompetent and that she had got the global budget formula wrong!

The government has a crisis on its hands that has been caused by an incompetent Minister for Education who cannot even get school budgets right. The Premier sniffed the breeze, saw the political fallout coming, realised that the government was in desperate trouble and decided to get involved to solve Mary's mistake and overcome the crisis caused by her incompetence. He called the parties together to try to resolve the issue.

In the meantime, when the minister was asked yesterday about whether schools will be worse off under the new school global budgets, initially she said:

... no school will be worse off.

Then she said:

... the overwhelming majority of schools ... are better off.

And then she said:

... 1400 of our 1600 schools are ... better off.

The longer the answer went, the more schools were in trouble under the global budget formula! The minister clearly knows that schools throughout the state will be worse off under the formula, and she ought to admit it.

The Premier knows that too, and he has tried to get the minister out of the hole she has dug for herself and the government. He has called the principals association and the education bureaucrats in and said, 'What do we have to do to get this incompetent minister out of the incredible hole she has dug for us?'. The government has adopted a typical Labor Party solution, saying, 'We will take more taxpayers' money and throw it at the problem. We will seek to buy people off'.

The government has given principals across Victoria an open cheque to buy out Mary's mistake with taxpayers' dollars. It will cost \$20 million to \$50 million to pay for her mistake. The Minister for Education got the formula wrong and schools have been disadvantaged. Now the government is contacting principals throughout the length and breadth of the state and telling them, 'If you have a problem with the formula, come and tell us and we will give you a cheque to pay you out'.

How much will it cost? Where is the money coming from? Is it coming out of Treasury, other educational programs, the capital works budget, the information technology budget or school maintenance programs? Where is the \$20 million to \$50 million coming from to bail Mary out on school global budgets?

Clearly the government has a serious problem with mismanagement and incompetence at the highest level of education in the state. Victoria needs a minister who is on top of her portfolio, not a minister who continually makes mistakes that end up costing Victorian taxpayers millions upon millions of extra dollars!

The school principals are asking, 'Will we be adequately compensated for the mistakes those formulas will force on our schools? Will we get the money we were promised the second time we were told

that no school will be worse off?'. Principals are saying, 'Last week we were told we will all be better off and that no school will be \$1 worse off. A week later we find that many of our schools will be hundreds of thousands of dollars in deficit under the new formula. Now we are again being told we will not be worse off because additional money is coming out of taxpayers' pockets to pay for Mary's monumental blunder!'.

The government has an obligation to the people of Victoria to say where the money is coming from and what programs will be cut to pay for that monumental mistake, which is not the only cost blow-out in education. The education department has had a 41 per cent increase in Workcover and its Workcover bill will go from \$26.46 million to \$37.32 million. That is another black hole in the minister's education budget.

It is time the minister managed her budget properly, managed schools properly and delivered high-quality education to our students. It is not right that the Premier should have to bail out his incompetent minister. He has clearly sought to bail her out by using taxpayers' dollars to cover up the minister's mistakes. Is the money he is using transitional or will it be permanent? Will principals have to move votes of no confidence in the minister next year and the year after that to get the Premier to open the purse strings? Victoria clearly has an incompetent minister who should resign now!

Ms DELAHUNTY (Minister for Education) — I have been listening to debate on the matter of public importance with some interest. I thought the opposition would bring out the heavy hitters — the leaders, the would-be leaders, the might-be leaders and even a few old leaders who are hanging around. Honourable members have just heard from the Leader of the Opposition — at the moment; the honourable member for Warrandyte, who has said, 'I will be the leader if my party wants me', and 'If my party wants me I am ready to serve', has given us a bit of a serve; and we have heard from the Leader of the National Party. So we have heard from the three heavy hitters!

A Government Member — What about Ted?

Ms DELAHUNTY — Ted has not spoken yet. I should have waited for the next leader of the opposition; I have jumped in a little too soon. I waited because I thought the heavy hitters and the would-be leaders might say something new, something different or something illuminating about funding for schools.

Opposition members interjecting.

The ACTING SPEAKER (Ms Davies) — Order! The honourable member for Warrandyte and the Leader of the Opposition!

Ms DELAHUNTY — But no, the best they could do was trot out a few lies, furrphies and distortions — as usual.

I commend the Attorney-General for his contribution. Wasn't he sensational! He listed — the opposition did not like it — the lies and distortion of the shadow Minister for Education in particular.

Opposition members interjecting.

The ACTING SPEAKER (Ms Davies) — Order! Honourable members on the opposition benches will settle down. I ask the minister to be calming rather than inflammatory in her comments.

Ms DELAHUNTY — Thank you, Acting Speaker; I will take your advice. I cannot remember what the present Leader of the Opposition had to say — he was babbling on as usual. I think he mentioned the number 8, which is his rating at the moment. It reminds me of the more than 8000 teachers that his government sacked in our education system.

The ACTING SPEAKER (Ms Davies) — Order! I understand that people are a tad excited. I ask opposition members to settle down for a while and I ask the Minister for Education to continue her comments without so much interruption.

Mr Honeywood — On a point of order, Madam Acting Speaker, the house has a matter of public importance before it and the minister has been on her feet for 3 minutes. I can understand why she would not want to address the issue, but I ask her to stop debating it and return to the motion before the house, which relates to government school funding, not personal attacks on characters.

The ACTING SPEAKER (Ms Davies) — Order! I do not uphold the point of order, but I remind the minister of the subject of the debate and ask her to direct her attention to it.

Ms DELAHUNTY — The Member for Glass Jaw, thank you! I am proud to talk about the funding that has been enjoyed by schools across the state since the Bracks Labor government came into power. It started from a low base: the Commonwealth Grants Commission showed last year that under the previous government represented by these men, Victoria — the second-biggest state in the nation — spent less per head

on education than any other state or territory in the nation.

Mrs Peulich interjected.

The ACTING SPEAKER (Ms Davies) — Order! The honourable member for Bentleigh should cease interjecting.

Ms DELAHUNTY — What a shameful legacy!

An opposition member interjected.

Ms DELAHUNTY — Yes, and you will hear it again! It was a very low base from which the government had to move, and what has it done? It has put \$25.2 million towards extra primary schools to bring down the class sizes. It has created 200 new student welfare coordinator positions for secondary schools. The previous government ripped 9000 teachers out of the system, but the government has been investing wisely in a strategically targeted way to deliver on its policies. The government will lift literacy and numeracy standards. It will lift retention rates, which plummeted by nearly 10 per cent under the previous government. The government has invested so that it looks after those children who have dropped out of education and training, uncared for by the previous government. The Bracks government has expanded vocational education and training programs and has spent \$15 million on the Achievement Improvement Monitor (AIM) program to address the deficiencies it sees in schools.

Mr Honeywood interjected.

Ms DELAHUNTY — You don't want more money? Well, there you go.

The ACTING SPEAKER (Ms Davies) — Order! I ask the minister not to direct her comments across the chamber.

Ms DELAHUNTY — I will try not to be distracted by the puerile interjections of aged members.

I listened with interest to the comments of the Leader of the National Party because I thought he might have something quite useful to say. He confirmed two things. Firstly, he does not understand the school global budget formula and secondly, and probably more devastatingly, he confirmed that he does not want to see more money go into country schools, because that is what the formula delivers. It is now on the record that the Country Party leader does not want more money for country schools. He sat by silently —

Honourable members interjecting.

Mr Ryan — On a point of order, Madam Acting Speaker, and on the basis of proper parliamentary terms being used, I bring the minister up to date to record the fact that it is now the National Party, not the Country Party.

The ACTING SPEAKER (Ms Davies) — Order! I do not uphold the point of order. Members on the government benches should come to order. The Minister for Education, without so much excitement and interruption.

Ms DELAHUNTY — I confirm that yesterday — in a joint agreement that I shared with the house — the Victorian Association of State Secondary Principals accepted that no school would be \$1 worse off. The schools, particularly those in the western and northern suburbs of Melbourne and some of the regional centres, which are low-cost schools at the moment and have been subsidising high-cost schools, will now be treated fairly. There has been a 5 per cent increase in the school global budgets, and a total of \$140 million will provide for the needs of every school. The secondary principals association has agreed that any schools with difficulties will receive supplementation. That is what the government offered last week and the week before that; the deal has not changed and the principals agreed to accept it.

Dr Napthine interjected.

The ACTING SPEAKER (Ms Davies) — Order! The Leader of the Opposition has had his say and should cease interjecting.

Ms DELAHUNTY — And it wasn't worth listening to! Let me conclude with a comment from one of Victoria's most eminent principals, Mr Ron Lake from Bendigo, who was quoted on radio as saying:

... I've just returned from overseas and ... I believe the model is correct.

...

There'll be a transition formula for schools that do not come out negatively on the profile, and therefore no school will be worse off.

...

In terms of greater equity in the staffing and enhanced self-management —

The ACTING SPEAKER (Ms Davies) — Order! Stop the clock!

Dr Napthine — On a point of order, I seek the minister's clarification. Is this the same Mr Ron Lake who is the principal of Bendigo Secondary College?

Honourable members interjecting.

The ACTING SPEAKER (Ms Davies) — Order! I do not uphold the point of order.

Honourable members interjecting.

Ms DELAHUNTY — It is, Premier. It's a shocking job being —

Mr McArthur interjected.

The ACTING SPEAKER (Ms Davies) — Order! I am standing up. I remind the opposition that the Speaker has made rulings on spurious points of order, and I trust that this is a correct point of order.

Mr McArthur — My point of order, Madam Acting Speaker, relates to your instruction to stop the clock. At the start of this debate when a point of order was taken by the Attorney-General in the last 2 minutes of the speech by the honourable member for Warrandyte the Speaker declined a request to stop the clock, and I seek clarification on your ruling.

Ms Kosky — On the point of order, Madam Acting Speaker, in relation to the stopping of the clock, I distinctly saw the Leader of the Opposition look at the clock before he stood to call his point of order.

Honourable members interjecting.

The ACTING SPEAKER (Ms Davies) — Order! I have heard quite enough on spurious points of order. I do not uphold the points of order. The minister's time has expired.

Mr DIXON (Dromana) — This minister does not have the ticker or passion for education. The house saw passion in education this morning from the honourable members on this side and from the Attorney-General — I think he might be making a play for the job of Minister for Education. He did not mention the motion at all. He simply resorted to personal abuse of the honourable member for Warrandyte, but at least he had some passion for it. If there is one ministry that one needs passion for in this place it is education. It is something that needs to be internalised and that one needs to know and understand. And this minister has not got it!

On numerous occasions when detailed questions are asked or detailed policy explanations are needed this minister comes up short. She does not understand the

funding or the fundamentals. She lacks basic passion for and understanding of education. This portfolio is most important for Victoria's future and its young people.

The importance of the no-confidence motion in the minister, which was passed earlier this week on Monday night, cannot be underestimated. There is virtually no precedent. The last time this happened was in 1984 when the then Minister for Education, the Honourable Ian Cathie, had a motion of no confidence moved against him. There was a good educator and a man with vision, until he was rolled by the unions! It has been decades since anything like this happened, even to a Liberal minister, through action by the teacher unions or the principals associations. It is quite unprecedented.

Not only must it be very worrying for the schools to know that their principals and school leaders do not have confidence in their minister, but it must be devastating for the minister's department as well.

I have some concerns about the topping-up budget. Every time the government comes to the minister's defence it says that any school that is worse off will have its budget topped up. What are the schools going to be topped up with? The government talks about topping up the current budget — that is, the difference between what the budget is in 2000 and what the new budget will be. The government says it will write a cheque for that difference.

However, a school's budget for 2000 is very different from that forecast for 2001. The major difference is that next year almost every teacher will move up a subdivision. Teachers will take on further responsibilities, teachers of excellence will be appointed and there will be upward movement in schools. There has been no mention of that shortfall, and that is where the shortfall will be. There might be some topping up, but there is going to be a huge gap in each school as teachers move up subdivisions into other positions of responsibility, and the budgets are going to come up short.

I would be very worried if I were an experienced teacher attending an interview at a school. When a principal and the school council interview prospective staff they are probably going to see a range of teachers who apply for jobs. Who are they going to appoint? They are not going to appoint somebody with experience because the salary of that teacher, even with the topping-up funding, has not been accounted for in next year's budget. The topping-up funding will fall far short. That experienced good teacher is going to be on

the outer and at a distinct disadvantage. The topping-up funding is a sham and will go nowhere near topping up the funding that schools require next year.

Another problem is the statement by the minister and the government that schools on a school-by-school basis will be counselled about their needs for next year and the topping up needed. That is going to take a long time. It is a busy time of the year for schools — they have just received their budgets and they need to sit down and work out their programs for next year. Having been a principal, I am aware that that process requires considerable time. The larger the school the longer it will take. Wherever they are in this queue of the department coming to see each school to talk over their individual circumstances it is going to take hours, days or weeks. There are not enough bureaucrats in the department to go around and make it a quick process. It will not happen quickly. It will further delay schools' planning for next year.

The topping up will cost millions. If the government says it will top up the difference between the allocation in the 2001 budget and where the new funding formula will be, even that amount of money will certainly be \$20 million, and it will blow the budget out by millions of dollars.

Where will that money come from? That question must be asked. Will it come from Treasury or from other educational programs? The change will cost a lot of money and honourable members are not getting any satisfactory answers about it.

Another argument the government puts forward about the top-up funding is that it will be there for three years. One or two schools in my electorate are better off, but most are not. However, the couple that are better off have said to me that although it might be okay next year they are worried about the year after that and the subsequent year, because as teachers take on leadership and positions of responsibility their qualifications mean they move up to higher subdivisions every year. That means the top-up funding has to be increased, and it is cumulative, so more funding will be needed at the end of both 2001 and 2002. Where will it stop? The necessary increases will not happen. Schools that are okay for next year are worried about the ongoing cost to their budgets in the next few years. The problem is not being solved; in some schools it is just being delayed by a year.

When I talk to principals in my electorate about whether they will be better or worse off next year, overall their response is that they are worried about the future. They tell me the only way their schools will be

better off is if the amount of the top-up budget is increased incredibly and in a cumulative way, year after year, for the next three years. In addition, the top-up funding is available only for three years and that is the end of it — there is nothing after that.

A number of my colleagues wish to contribute to the debate, so I will conclude. The main point I want to convey is that the top-up budget is a sham. It is based on very loose figures and the real situation in schools has not been accounted for at all.

Ms BARKER (Oakleigh) — I commence by replying to the comment made by the Leader of the Opposition when he asked where the Minister for Education was. I point out she made an excellent contribution, which was often interrupted.

Honourable members on this side of the house believe strongly that the Minister for Education is definitely here and is now leading the way in reforming, supporting, and most importantly, funding the government education system. What is more, I am extremely proud, as we all are, to stand beside her and applaud her for providing the important funding and other resources to the government education system that are investments in our young people and our future.

The matter of public importance raised by the honourable member for Warrandyte is noted, but it should really say that this house notes with concern the action of the honourable member for Warrandyte and the opposition of destroying the state education system they ruled over when in government, and more particularly, their continual efforts to talk down the system.

Mr Kotsiras interjected.

Ms BARKER — It is a disgrace that they continually talk down the Victorian education system. During a seven-year period in government the opposition parties ruled over a system the destruction of which is well documented. I shall take a few moments to make some comparisons concerning what has occurred, the benchmarks this government has set and some of the things that have already been achieved in many ways.

It was appalling that 326 school sites were closed by the previous government — the closures were consistent across metropolitan, rural and regional Victoria. The Bracks government has set a benchmark process to enable primary schools to voluntarily merge. However, it is a consultative process to ensure a means exists for schools that wish to consider merging or examine their

future needs to do so, rather than a process of arbitrarily closing schools.

Importantly, the number of teachers — —

Mrs Peulich — On a point of order, Mr Acting Speaker, I would hate to think the honourable member for Oakleigh is deliberately or inadvertently misleading the house. She knows full well that during the review of school sites there was a consultative process in place and that it was not an arbitrary process. To allege that it was is to not recognise the enormous amount of effort local school communities put into getting the best possible outcome.

The ACTING SPEAKER (Mr Seitz) — Order! I do not uphold the point of order.

Ms BARKER — Perhaps the honourable member for Bentleigh would like to dispute the fact that the previous government sacked 9600 effective full-time teachers.

Mrs Peulich — Yes, I would like to dispute that — reduced, not sacked.

Ms BARKER — Perhaps the honourable member would like to dispute that. Already, as of June 2000, 1800 effective full-time teachers have been employed, which represents a significant investment in the government education system. The previous government undertook the employment of contract teachers, and some 6500 were placed on contract. It was the worst system ever implemented because those teachers had no guarantee of security of funding.

Mrs Peulich interjected.

The ACTING SPEAKER (Mr Seitz) — Order! I will call the honourable member for Bentleigh next. She can then refute the statements.

Mrs Peulich interjected.

The ACTING SPEAKER (Mr Seitz) — Order! The honourable member for Bentleigh will cease interjecting. The honourable member for Oakleigh will continue, in peace and quiet.

Ms BARKER — That will not happen, but that is all right. A total of 1740 teachers have already been translated to ongoing employment. Under the former coalition government there were no shared specialists, now there are 100 in small rural schools. Under the previous government there was no professional computer support, now 260 technicians are employed. The provision of student welfare support is a significant

initiative, yet there was none under the previous government. The Labor government has provided for the employment of 250 new student welfare coordinators. That is a brief comparison of the provision made for education in the past 7 years under the coalition as against what has happened in just 12 months under this government.

In his matter of public importance statement the honourable member for Warrandyte expresses concern about the funding of government schools. I sincerely hope the concern he expresses is that it is not enough, yet the level of school education funding is significant. Some of the funding figures are so significant they should be referred to constantly because they show the level of the government's commitment to funding education in the state.

The figures are: \$25.2 million for 450 extra primary school teachers; \$12.2 million for 200 new student welfare coordinators for secondary schools; \$10 million for support staff for special learning needs schools; \$2.5 million for specialist staff in small rural schools; \$105 million for new school buildings and upgrades — that is a significant contribution; \$65 million for the expansion of vocational education and training, or VET, programs, which are important and should be expanded; \$15 million for the achievement improvement monitor, or AIM, program to address literacy and numeracy problems; \$7 million for new computers; \$1 million for teacher scholarships; \$25 million to employ 250 information technology specialists; and \$3 million to tackle truancy and absenteeism rates.

It is difficult to understand how anyone could express concern at such a significant commitment to government education in Victoria. As I said, it is worth repeating time and again the wonderful work the Minister for Education is doing.

Although significant discussion has taken place about the new funding arrangements for schools the Minister for Education has indicated quite clearly that the arrangements are now secure. It is worth saying again, regardless of whether or not the opposition will believe it, that the new arrangements mean that every school will be better off.

Honourable members interjecting.

Ms BARKER — Every school will be better off.

Honourable members interjecting.

The ACTING SPEAKER (Mr Seitz) — Order!
The honourable member for Oakleigh, without assistance.

Ms BARKER — Under the new funding arrangement every school will be better off! The model will mean that funding will be directed to the schools where it is most needed. The model is applicable to all schools, unlike the previous self-governing schools model whereby funding was distributed to a small group. The model will allow for enhanced school control over programs. As I said, it is an important agreement. Under this government schools in Oakleigh are and will be okay, don't worry about that! Recently they received \$1.1 million in maintenance funding, which is significant.

I refer to a comment made by the Leader of the National Party, to which I have drawn attention previously. The Leader of the National Party talked about the reluctance by a principal or a teacher — I cannot recall which — to comment about the arrangement.

An honourable member interjected.

Ms BARKER — It was probably made by a principal. I wonder whether the Leader of the National Party recalls teaching order 140, which restricted the right of teachers and principals to speak out. It was one of those appalling attacks on democracy in Victoria that was lifted by this government. It is fine for people to raise their concerns. At least they are able to do that under this government, whereas they could not under the previous government.

I emphasise the support on this side of the house for the Minister for Education, who has worked hard to achieve — —

An honourable member interjected.

Ms BARKER — Some \$300 million was invested in Victorian education as part of the first Bracks Labor budget. The government is extremely proud of its Minister for Education, and it will continue to be proud of her and to work with her to put money back into schools.

Mrs PEULICH (Bentleigh) — There are probably three people on the government benches who understand education. They are the Premier, the Treasurer and — I will be generous and say it — the honourable member for Seymour. However, the honourable member was a principal of a small school, so he probably does not understand the problems this issue presents.

Why is it that the Premier and the Treasurer have not come into the house to support their embattled junior education minister? It is because they understand she has stuffed it! She has lurched from one self-created crisis to another. She is a public relations and media junkie. Her senior offsider, the Minister for Post Compulsory Education, Training and Employment — or whatever rebadging the government has engaged in — has been called in as the social worker to clean up one mess after another. The PR junkie and the social worker are running education in Victoria, and it shows!

The honourable member for Oakleigh, who was previously the member for Bentleigh, is a nice lady who has many good attributes, but an understanding of education is not one of them. In her contribution she referred to a number of matters, including the lifting of teaching service order 140. It is funny and unusual that, despite the supposed lifting of the teaching service order, principals and school communities are prepared to speak to the opposition only off the record. They are petrified that they will be subject to intimidation, retribution and punishment. We know what the Minister for Education is like — she hates with a vengeance! Her approach is all about punishing those suburbs, schools and communities that have not been out there applauding the Labor Party before and since the election.

Under the heading 'Staff selection' an article in the 19 October edition of the *Education Times* entitled 'New career structure for Victorian teachers' states:

The agreement retains the capacity for schools to select the best available staff to meet the educational needs of students through local merit-based selection arrangements.

Labor Party members are the craftsmen of words, but when it comes to reality they fail and fail again. The Labor Party makes all sorts of promises that sound great, but how will it pay for them? Where was the money when it came to education budget time? The only way the government could find the money was to move it from one school to another. When the global budget framework was being conceived in the first term of the Kennett government, government members were brought in by the department and the minister to consider it. The formula was floated past the education committee on which I served — and guess what? We knocked the formula on the head because we knew many schools would suffer if it were implemented. But the Bracks junior education minister, who has no substance and no genuine understanding of education, has fallen for it hook, line and sinker, and school communities will suffer as a result.

I refer briefly to — —

Mr Holding — On a point of order, Mr Acting Speaker, the Speaker and a number of other Acting Speakers have this morning called honourable members to attention for not using correct titles. The honourable member for Bentleigh has on a number of occasions used a derogatory title in referring to the Honourable Mary Delahunty, Minister for Education and Minister for the Arts. I ask you, Mr Acting Speaker, to call her to attention and ask her to address the minister by her correct title.

The ACTING SPEAKER (Mr Seitz) — Order! I uphold the point of order, and I ask the honourable member for Bentleigh to observe the proper forms of the house.

Mrs PEULICH — Thank you, Mr Acting Speaker, for your guidance.

I wish to quote briefly from executive memorandum no. 2000/037 on indicative 2001 school global budgets. Under the subheading 'Introduction of a single funding rate for all entitlement positions' it states:

Funding for all entitlement positions, except the principal, has been allocated based on \$53 080 per annum.

That is the problem, because paying on actuals rather than averages has been the practice of the former government. The thrust of the Labor government's reforms will not only leave many schools desperately short of funds during the transitional period, but what happens at the end of that period? The memo continues:

Schools are able to determine an appropriate promotion profile according to local requirements and the available funds.

The available dollars rather than the educational needs of the school will solely determine the staffing of schools and the selection of teachers. How will education be better served under that formula? It continues:

During this transitional period schools will be adjusting their staffing profile in the context of the implementation of the teacher career structure. The transitional school global budget actuals model will enable schools to take steps to achieve a balanced staffing profile.

The established schools in the established suburbs with more experienced and mature teachers will need, over time, to declare those teachers in excess and move them to other areas to meet the staffing profile allowed by the funding formula.

I have a letter from a principal who has requested confidentiality because he fears retribution from a

highly vindictive and highly punitive government. The letter is dated 20 November and reads:

Dear Inga,

In response to our discussion last week and your wish to keep in touch about our budgets, I'm happy to make the following comments to you in confidence.

It goes on:

I am concerned about the change from averages in, averages out to average in and actuals out. This means that young teachers will be cheaper than ones with experience when calculating the staffing budget. While I am sure that a staff needs a mix, I am not comfortable with that being a budget decision rather than an educational one. I have already heard of a principal who has told three of his contract teachers that he won't be able to afford them next year.

The other concern is 'incremental creep'. As teachers gain experience, they will cost my budget more. While I have enough to cover things at present...

the name of the suburb —

is a sought-after area where people stay. I have only good people left and I don't want to lose any of them so in future years the budget could become very tight.

The staffing structure will become flatter and the responsibilities will be spread across more staff.

That is precisely the problem.

Mr Nardella interjected.

Mrs PEULICH — I am happy to make the letter available to the house. I note that a secondary school principal in a south-eastern school says he is not happy with the funding formula and that his school will be badly done by. He has experienced staff; because of the fast growth of the school he has vacancies to fill and he must consider employing less experienced staff. A primary school principal says that the issue was all too rushed. A briefing was held on Friday and she had until Monday to get back to the department. She said that principals need more time to make proper assessments and she was concerned that schools will have to employ less experienced teachers to keep costs down. She also said it is too close to the end of the year and that she had been advised by the Department of Education, Employment and Training not to finalise any plans until next week. I am happy to make my notes available to the house if required.

The weeks before Christmas are the busiest times in the school year. Principals have been unable to finalise their budgets. Some schools will be hard done by because the formula is flawed. The Minister for Education has lurched from one crisis to another and is a disaster for education. The Labor Party should see the

light and realise that supporting a minister who has been hung out to dry by the people who understand education — the Premier and Treasurer — is a mistake, and should ditch her.

Mr HARDMAN (Seymour) — As an ex-principal — generously recognised by the honourable member for Bentleigh — I understand school global budgets.

Mrs Peulich interjected.

Mr HARDMAN — Maybe not the present one in detail. Obviously small rural schools are different from larger secondary colleges, but staffing probably adds up to seven or eight full and part-time people under various contracts at any one time. Small schools should be looked upon as an important part of Victoria's education system and not be pushed aside by larger schools.

Each year some schools panic when school global budgets are released. The honourable member for Bentleigh mentioned that contract teachers at one school would not be employed next year because the school could not afford them. Those things happened under the former Kennett government. Even worse, contract teachers were not employed from mid-December until early February and could not claim holiday pay. They worked for 10 months and then were ripped off. The budget position implemented by the former government was shameful and a disgrace.

Stringent guidelines always applied under the school global budget. The number of schools affected was always different. Sometimes a school won and sometimes it lost. The honourable member for Oakleigh referred to 9600 teaching positions being cut and the closure of 326 schools. School principals were told how their money could be spent. If they went over budget they were held responsible and penalised in the following year's budget. That Kennett government threat hung over their heads.

Today the opposition has rewritten history. I wish to take a different point of view from that of the Victorian Secondary Principals Association's (VSPA) motion and speak about teaching service order no. 140. Another Kennett government trick was to cut off negotiations and consultations with any organisation that had the gall or the audacity to publicly disagree with it. Honourable members opposite forget about that. The VSPA would have been scared of that threat in those days. That is why it did not happen under the Kennett government. I am sure it could not be because

of teacher service order no. 140 or perhaps for more sinister personal reasons.

There needs to be a rethink of the reason for the motion moved by the Victorian Association of State Secondary Principals (VASSP). The former Kennett government ministers received a final no-confidence motion on 18 September 1999, when the people of country Victoria — I suppose all Victorians — kicked them out of office. Honourable members opposite have forgotten about that. That was certainly a precedent in no-confidence motions!

In previous speeches I have mentioned my concern about the personal attacks by opposition members on the Minister for Education. Yesterday, the opposition leader called the minister a liar. He did not retract that statement, which was a disgrace. It was reported in the *Age*, so it must be right! The opposition leader needs to clean up his act. Honourable members know the debate is really about the shadow education minister's bid for the leadership. That is why the media is pursuing it, putting it in the newspapers and on the radio. It wants to see some real competition for the leadership of the opposition. The opposition has played into the media's hands, because there is no substance to the debate.

When the global budgets were first released, the Minister for Education said that any school that looked as though it would be disadvantaged by the global budget would be looked after and helped along with transitional funding. After the meeting yesterday attended by the minister and the Premier, the position is still the same: transitional funding will be provided to help those schools. The arguments that have been trotted out by the opposition — maybe the media has succeeded in this as well — show that it cannot see the forest for the trees. The opposition needs to clean up on this. The matter of public importance is just a stunt as it battles to become relevant. Relevant? It would love to be relevant!

What action has the Minister for Education taken to fund government schools? The list is long, and we have heard it a few times today — but I love repeating it. An amount of \$25.2 million has been allocated for 450 extra primary school teachers to reduce class sizes to an average of 21 students. What did the opposition do when the government delivered on its promise? It grizzled and complained and said the state would go broke because we were spending extra money on education. What a hide! Now that schools have responsible school global budgets that will not blow out, the opposition grizzles and complains.

The minister has allocated \$12.2 million for 200 new student welfare coordinators for state schools, fixing the mess left behind by the miserable Kennett government. In addition, \$10 million has been allocated for 200 full-time support staff for special learning schools. The opposition did not care about them when it was in government. Members opposite were too worried about their rich and wealthy mates at the top end of town.

An amount of \$2.5 million has been allocated to provide specialist staff in small rural schools. I have a story to tell about that, because I was a shared music specialist in small rural schools at Ruffy, Longwood, Avenel and Moorilim — and I will come back to Moorilim and the matter of no-confidence motions in education ministers. Without any consultation the former government ripped specialist teachers out from small rural schools, as the honourable member for Shepparton well knows and, I am sure, is ashamed of. The Bracks government is now putting those teachers back into schools, which is a great thing for country Victoria. That money is in their budgets, and those schools are winning as a result of the government's policies.

The government has provided \$105 million for new school buildings and upgrades that are badly needed. For the first time in many years the basis of the formula for funding classrooms has changed from 1 to 28 to 1 to 25. Class sizes will drop because there will be more teachers and schools will be provided with extra classrooms. That is wonderful — and our education minister has done that. She has fought hard for that with expenditure review committees and has delivered to Victorian school students. We are proud of our minister for doing that.

An amount of \$65 million has been allocated to expand the vocational education and training program. That is about keeping kids at school and increasing retention rates, stopping truancy, and helping kids to participate in school life by offering them things that interest them. The opposition has forgotten about that. It has no idea about education and is in opposition because of it — and it has proved that again this morning.

A small amount of \$1 million has been provided for teaching scholarships to ensure we get the best teachers in our schools, which is fantastic. I wish I had 20 minutes to contribute to the debate, not just 10! The government has also set three critical benchmarks to measure projects against achievements in education and training. It wants to keep kids at school longer. By 2010, 90 per cent of young people in Victoria will successfully complete year 12 or its equivalent. We were close to that under the Cain and Kirner

governments, which was a proud legacy. Under the former Kennett government the retention rate fell to about 70 per cent, which it should be ashamed of.

Ron Lake, the principal of the large Bendigo Secondary College, understands school budgets and says in relation to school global budget models:

I think the new model is right.

He made a couple of qualifications to that because he does not understand the whole thing yet. The system is new, and all new things need to be understood. The opposition needs to realise that because it is important. I condemn the opposition for having no new ideas on education and for having a hopeless shadow Minister for Education.

Mr KILGOUR (Shepparton) — The honourable member for Seymour has a very short memory. When the former government came to power he was teaching in schools in the Seymour area, and nobody complained more than he did about the situation. Local schools were 14 years behind in cyclical maintenance. He complained that his school was leaking and that it needed repainting and new carpet. He said millions of dollars needed to be spent to make schoolrooms suitable for teachers to teach in. He wondered why some services had to be withdrawn, but that was done to provide the facilities that had been neglected in the Cain and Kirner years.

The honourable member for Seymour should have gone back to Wangaratta, where today teachers from his region are holding a meeting. Ringing in our ears for some time has been the statement, 'Every school will be a winner'. I hope the ringing in the ears of the Minister for Education has turned to burning, because what is being said in Wangaratta about this disgusting formula and the disaster in school funding needs to be heard to be believed.

I contacted some of the teachers at Wangaratta today to get first hand information on what is going on. One said to me that, as expected, the formula had been designed by the union. One cannot blame them for expecting that, because union members are in the pocket of and working on the staff of the Minister for Education. The people from the department should have known better than to allow the minister to bring this sort of formula in. That does not surprise me, because I have found it inept in my recent dealings with it regarding the St Georges Road Primary School, to which a permanent principal has not been appointed. The matter has been with the department for three to four months, but it has not been able to sort through the issue.

An interesting thing I heard from Wangaratta this morning is that the new arrangements will work for only some schools — and that comes directly from the schools. It was suggested that some primary schools might be okay.

Honourable members interjecting.

Mr KILGOUR — Mr Acting Speaker, perhaps you might give the speaker on his feet the opportunity to be heard rather than allow this rabble to carry on the way it is.

Honourable members interjecting.

Mr KILGOUR — I will wait, Mr Acting Speaker.

It was suggested to me that primary schools may be okay depending on the staff ratio. Why bring in a system that depends completely for its success on the staff ratio? If a country school has a lot of level 12 teachers, it will be disadvantaged.

One principal said to me, 'Don't ever let them tell you the principals were consulted on this'. The principals were not properly briefed or consulted. They had a couple of briefings at which they were given ever-changing information. The government has not sat down with the principals — —

Government members interjecting.

Mr KILGOUR — That came direct from the principals, an hour ago, not from rabble like you, who allow such policies to come through.

The ACTING SPEAKER (Mr Seitz) — Order! The honourable member for Shepparton will address the Chair.

Mr KILGOUR — Today every principal I spoke to said that every secondary school will be worse off. This morning one principal said to me — —

Government members interjecting.

The ACTING SPEAKER (Mr Seitz) — Order! The honourable member for Shepparton, without coaching from the government benches.

Mr KILGOUR — I certainly do not need coaching, Mr Acting Speaker!

This morning one principal said to me that his school will be \$150 000 worse off, and another said his would be \$200 000 worse off. That is terrific! What about the transitional funding? The honourable member for Seymour has left the chamber. If he had still been a

principal and the government had talked about transitional funding, his first question would have been, 'What happens at the end of the transitional period? We will be left in the dark again'.

These are the words of one principal: 'It is a stupid formula and it will not work for secondary schools'. Secondary schools require a formula that guarantees reliability and predictability. The government formula will not do that. Principals want to be able to make long-term plans; they want to be able to make appointments and select teachers on merit, not on teacher level.

It is now a supermarket out there. Principals will say, 'Let's go to the bottom shelf and get the specials so we can save money'. Schools cannot now afford the best teachers for their schools; they have to get the cheapest, straight out of college. Many of those will be tremendous teachers, but level 12 teachers will find it difficult to get positions because they cost more. That should not enter into the consideration of any staffing formula.

November, when schools should have already selected their staff, is far too late to bring in this sort of formula change. It will work in primary schools, except for the larger schools. Many larger schools in country Victoria have teachers who want to stay in the area. They have bought houses in places like Shepparton and Colac and want to stay there and be good teachers. Now they will be asked to leave because their schools will not be able to afford costly teachers. Whether higher level teachers will be affordable will depend on the average staff ratio.

There is insecurity in the system, and that is not good for schools. Young people should be rewarded with incentive payments to encourage them to learn the trade and become better teachers. It was interesting to get a letter from a teacher, which stated:

In this latest agreement the thrust was about improving student learning outcomes in a context based on the social justice principles of merit and equity. This agreement falls far short of meeting either of these principles because it is aimed at a limited field of candidates and rewards people based on seniority first and merit second. How can this be?

The letter is from a teacher who in 35 years has never before written to a member of Parliament or a minister. People are up in arms and teachers are up in arms. The minister should hang her head in shame for accepting the union movement's proposals and not taking advice from department staff, who must have realised this would not work.

I will conclude, because other members want to speak, but the minister should be condemned for implementing this terrible formula.

Ms DAVIES (Gippsland West) — It is important to speak on the issue of the school global budget allocations as they were handed out on Monday.

First, however, I note the terms of the matter of public importance set out by the opposition. It does the opposition no credit at all to focus on personalities rather than issues. Personal attacks in this house are repulsive, and the consistent targeting of female ministers for the worst attacks is even more repulsive. It is a habit of oppositions of both colours.

There is no doubt that the school global budgets as they were handed out on Monday caused widespread concern. If, as the government asserts, no school will be worse off, departmental officers need to improve their levels of communication because they failed to communicate that adequately on the day.

I suspect it is more likely that the base level funding allocation is too stingy. My understanding of the new funding formula and the reasoning behind it is as follows. The base level salary allocation is to be set at \$53 000 per annum. Many schools — I suggest most schools — have staff earning considerably more than that. The average age of most staff is around 47 years, so many teachers are in more senior positions than the base figure allows for.

However, over the next few years an enormous number of teachers will leave the system as they retire and many younger teachers will move in. Some schools have already begun the generational turnover, and for them that base level funding will be more appropriate. Others have not and will need top-up funding for longer.

I well understand that the Department of Education, Employment and Training, like most bean-counting departments, might not have wished to set the base level funding too high. However, as the generational change takes place and younger teachers come into the system, the base level formula may be more appropriate than it currently is for most schools.

A school with a lot of younger teachers will be doing very nicely, thank you very much, because the average salary will be lower than the base level of \$53 000. It is always more difficult to take funds away from schools once they become used to a certain level of funding, regardless of how that funding is allocated. I assume the department has set the bar lower in the first place and

allocated transitional top-up funds while they are needed. I understand that logic.

However, November is not a good time of the year to be causing stress in schools. Schools need to be planning for next year and focusing that planning on the actual work to be done. The global budgets should have been delivered earlier. Any negotiations or finetuning should have been completed properly with all parties much earlier than last week. However, the government is clearly obligated to ensure that in practice no school will be worse off. I will follow that situation very carefully with my local schools.

The best thing about the debate is the willingness of schools and principals to stand up and argue publicly, as they have done — and as they can do now without being afraid for the first time in seven years. Progress has been made! Nevertheless, the level of trust and communication between schools and the department needs to improve.

If the base level funding formula were too generous members of the opposition would be standing up and screaming about a waste of public money. I mentioned in debate last week the opposition's problem of not knowing whether it is Arthur or Martha. At the moment it is being Martha — that is, claiming the department is being too stingy. As I said in that previous debate, it will be easier when the opposition decides which way it wants to play.

I emphasise again that unpleasant personality politics, as played by the opposition at the moment, do not help the debate. Honourable members should be aiming for balance in the funding formula. I will wait to see whether the formula is appropriate and just needs top-up funding or whether it needs to be adjusted upwards.

I stress to all parties the need for rational discussion, a rational debate and a clear look at the figures rather than personal, unpleasant and somewhat hysterical outbursts.

Mr SMITH (Glen Waverley) — I appreciate the opportunity to speak on the motion, which goes right to the centre of one of the most important areas of government — the education of our children. Parents of younger children know exactly what that is about.

I enjoy liaising with the schools in my area and have always done so. I am also an ex-teacher. I found teaching very stimulating and the experience informs me as a member of Parliament. In the past few weeks, during the six-week delay in the announcement of global budgets for schools, I received a number of calls

from experienced teachers who were calling me for the first time. I had seen them in various assemblies but I had never heard from them. They all said, 'I am an experienced teacher in one of the highest bands and I am fearful for my future. I do not know where I am going'.

Mr Nardella interjected.

Mr SMITH — They should be. The honourable member for Melton says they should be fearful. I am sure he is quite right.

Mr Nardella — On a point of order, Mr Acting Speaker, I did not say that. For the record, I said, 'They should not'.

The ACTING SPEAKER (Mr Savage) — Order! That is not a point of order.

Mr SMITH — If government members want to interrupt they should listen to the end; and the honourable member for Melton should know that better than anyone. People are ringing in and saying they are fearful for their futures because unless they are prepared to take a huge pay cut they believe they will be on the scrap heap. In schools in my area, out in the eastern suburbs — —

Ms Campbell interjected.

Mr SMITH — Do you want to have the floor or just interrupt? Haven't you got any manners?

The ACTING SPEAKER (Mr Savage) — Order! Through the Chair!

Mr SMITH — She is one of the worst ministers in this house. It is very obvious that that bad-mannered minister knows nothing. She is a very nasty minister.

That first teacher said that so far as she was concerned she would have to go onto the scrap heap.

The second thing the teachers have been saying is that because the global budgets are six weeks late arriving schools are finding it impossible to plan properly for next year. At this late stage of the year it is extremely difficult for principals and teachers to plan when they do not know how many periods they will teach and schools do not know how many teachers they will have available. The last-minute seeming reprieve occurred only when the Premier intervened, and that is the whole point of the matter of public importance before the house. The Premier had to intervene because of the absolutely unprecedented action of the Victorian Association of Secondary School Principals the day

before yesterday when it passed a motion of no confidence in the minister. They must have given the matter a lot of consideration before taking such a drastic step. As a result of that action the principals got what they wanted. The Premier has intervened and the minister has changed her tune.

I noted with interest that the first government speaker in the debate used bullying and bluffing tactics for 15 minutes but offered no justification for what has happened.

The government is extremely worried because the media have picked up the story and will not let it go. One wonders why the minister continually gets herself into trouble. She has found herself in controversial circumstances from the first week of the parliamentary session right up to today. There can be only two reasons for that. One is that the minister cannot help wanting the publicity that encircles her. The other is that she is a congenital Pinocchio: every time the minister finds herself in trouble it is because she has brought it on herself. Why does she not just produce documents when asked? Why go through all the trouble she puts herself through? I am convinced she wants to get into trouble because it is another way of drawing attention to herself.

The house has heard that one of the great things the government is doing is reducing class sizes dramatically. I invite honourable members to go to any school to check on class sizes. If they do they will find either that numbers are not being reduced or that they have been reduced by one or two. My child is in grade 4 at a state school, where there are 90 children in her grade and 32 children in her class. Those children have excellent teachers, with good backup in music, physical education and other areas.

I am not saying that having 32 children in the class is ideal, but I am saying that reducing class sizes, which the government continually harps on, is not as important as raising education standards. The government may be pulling class numbers down by ones and twos, but is it raising standards?

I am not saying schools are not doing a good job, because I believe they are, particularly those in my electorate. However, I am saying that the government's paranoia about class numbers is not matched by a concern about raising educational standards, which is what the government and the minister should be doing.

The minister does not have a clue about what is going on in our schools. I can understand that, because she does not send her children to state schools. However,

many of us choose to do so because they are very good, particularly the state primary schools in my area. I averaged out the global budgets for secondary schools in my area as of yesterday, before any secondary negotiations were carried out, and I found that on average they were \$125 000 below their former budgets.

The government will not face up to the consequences of its rhetoric. It is long on words and short on actions, because it is a government that does not know what it is on about. I support the matter of public importance, because it is one of the most important issues facing the government. As a result of today's debate the government will not look good on television tonight!

Mr NARDELLA (Melton) — What a pathetic issue raised by a pathetic opposition and a pathetic shadow Minister for Education! The Australian Labor Party and the Labor government have an absolute commitment to equity and quality in education, not just for the privileged few but everyone throughout Victoria. That riles the opposition, because it does not understand about equity, quality, retention rates and what is necessary for the education of Victoria's kids.

When the honourable member for Warrandyte was an education minister he slashed 9000 jobs without batting an eyelid. At that time Country Party members — sorry, they are not Country Party members now, they are National Party members who have given away their Country Party roots and no longer represent the country — stood alongside Liberal Party members in the joint party room and said, 'Yes, slash teacher numbers'. Opposition members are a pack of hypocrites who now want to lecture the government on education standards, teachers, quality and equity.

The honourable member for Shepparton said that 14 years of cyclical maintenance needed to be done when the coalition came to office. Even if that were true, which I do not believe, what did the former government do? Did it carry out that cyclical maintenance? Of course it did not. It closed schools because it did not want to maintain them; it sacked the teachers; and it then sold off the land the buildings stood on.

The hypocrites on the other side of the house want to lecture the government on education and on a minister who, with her global budget program, is bringing equity back into the education system. The minister is ensuring that our young teachers have positions to go to and more experienced teachers to mentor them. The minister is looking after our teachers as they come through the system.

All the Liberal and National parties want to do is play the person. All the honourable member for Warrandyte wants to do is get on the Jon Faine radio program on the ABC and talk about ministerial resignations without doing any work. What is the shadow minister's position on P-2 class sizes? No comment. What is his position on extra funding for the vocational education and training (VET) program? No comment. What is his position on other programs the government has in place?

All the house hears time and time again from the shadow minister is criticism of a minister who is doing a fantastic job. In every example honourable members opposite have given of complaints made by teachers and principals, they have not named the persons quoted. Who are those mythical principals and teachers who have been spewing their guts out to opposition members? They will not spew their guts out to opposition members because they do not trust them.

The opposition's track record in education is appalling and woeful. Ask the 3000 cleaners who were sacked just before Christmas in 1993 by a cruel and heartless Kennett government. That is the opposition's record in education!

The honourable member for Shepparton has just entered the chamber. He is no longer a Country Party member; he no longer represents the country. He is a National Party member.

Opposition members interjecting.

The ACTING SPEAKER (Mr Savage) — Order! The honourable member will continue, without assistance.

Mr NARDELLA — Victoria has a government that is enhancing the education budget. Three years ago the western suburbs, which comprise the seats of Werribee, Sunshine, Melton, Footscray and Keilor, did not get one red cent in capital works funding.

What a disgrace! What a commitment the former government gave to the western suburbs and the areas I represent. Not one red cent! And yet within 12 months of being elected, the Bracks government has spent \$19 million in my electorate of Melton on new schools, maintenance, upgrades and getting rid of the portables that the previous government was so proud of. It wanted to keep the portables because its commitment is the commitment of the federal Minister for Education, Training and Youth Affairs, Dr Kemp, to education, whereby private schools get everything. Wesley College and Geelong Grammar School will receive

\$4 million each, and all the private elite schools will receive funding from the federal government.

The opposition wants to see the public school system go down and it wants to see retention rates continue to plummet. During the previous government's time in office retention rates fell from 77 per cent to 69 per cent. What commitment to education was that? It is a shameful record, and the students and constituents of Melton went down the gurgler time and again because of economic rationalist policies and the former government's blinkered approach.

Opposition members talked about their former education ministers, including Dapper Don Hayward. What commitment did he have to education? Absolutely zip, along with his department head. The only thing his departmental head had was his bonus for slashing teaching positions and schools. The next Liberal education minister was Phil Gude, who was a failure in education. The only thing he was good at doing was swigging his bottle of whisky. Government members are looking at the champions of the elite.

The shadow minister had the gall to say that the government is cutting education funding, when in fact it is putting in more resources and giving its teachers some respect. The government believes in good teachers, and thinks that young teachers should be mentored through the system to become good teachers themselves. But opposition members concentrate on making a connection between Mary Delahunty, Mary Bluett and the Australian Education Union and they are squealing because that is the only policy they have. I doubt that the opposition will ever come up with a decent education policy; it has not got a decent shadow education minister, so how can it come up with a decent policy either today or in the future?

The motion before the house is about the honourable member for Warrandyte running for the deputy leadership of the Liberal Party as he outlined in *Neos Kosmos* the other day. He has no skills or commitment to public education. The opposition believes in Dr Kemp's policy of cutting back public education funds and supporting elite schools, including Geelong Grammar School, Wesley College and Penleigh and Essendon Grammar School at the expense of public education, my students and constituents, and their right to a decent education.

Mr KOTSIRAS (Bulleen) — I support the motion moved by the honourable member for Warrandyte. He is a great shadow Minister for Education, because unlike the current minister, he speaks the truth.

I could not believe the garbage put forth by government members. They cannot believe what they are saying. As a former teacher I served under a number of Labor education ministers, including Robert Fordham, Ian Cathie — whom I respected, although unfortunately the teacher unions got rid of him — and Joan Kirner, although I disagreed with her vision and philosophy. However, all three ministers had some understanding of education, unlike the current minister, who has absolutely none. She recently visited a state school in her electorate. Honourable members would have expected the principal, when commenting on the visit, to say that the minister had great vision and great ideas, but the principal from Westgarth Primary School described the minister as ‘very approachable’. I would have expected more support for the minister from a principal in her own electorate.

The media is aware of the minister’s incompetence. A headline in today’s *Australian* read ‘Delahunty accused of lying to Parliament’ and an article in today’s *Age* is headed ‘Back to the haunted house for Delahunty’. I would have thought it would be back to the ABC for Delahunty because she will not last in this house. She is appalling, and one of the worst education ministers I have ever seen.

From time to time it is good to look at funding formulas to try to improve them, making sure that all schools get their fair share. Unfortunately the current formula has been devised from first principles by the teacher unions, who have given it to the minister and said, ‘You run with this’. Schools should not lose their funding because of the political agenda, with no consultation.

The government’s credibility in education has been destroyed by its backflips on class sizes, asbestos in classrooms and this flawed formula.

The government’s priority now is to save Mary Delahunty. The government is trying to save her when we all know that the Premier should sack this minister and appoint one with some knowledge in education. Yesterday honourable members saw that the minister misled the house. From where we are sitting we saw that the minister was reading a typed document. Yet when the minister was asked to table the document, she said that it was handwritten.

Mr Lenders — On a point of order, Mr Acting Speaker, earlier this morning the Speaker specifically made a ruling on members regurgitating yesterday’s events in the house on points of order, and requested honourable members to refrain from doing it. The honourable member for Bulleen may not have been in the house at the time, but I urge you, Sir, to steer him

back to the terms of the matter of public importance and to pay heed to the Speaker’s ruling.

The ACTING SPEAKER (Mr Savage) — Order! I do not uphold the point of order, but I remind the honourable member for Bulleen to be guarded in his remarks relating to the Speaker’s ruling.

Mr KOTSIRAS — I find it extraordinary that the Premier is still supporting the minister even though she has misled the house twice in the past three months. It is absolutely appalling.

The minister was quick to comment on the federal government’s new formula. In an article in the *Northcote Leader* the minister is reported as saying the federal government’s proposed model was flawed and that:

It is a model that does not direct funds to the most needy schools.

It is unbelievable that the minister can say that and claim that her formula, which is flawed, is working well.

As I said earlier, her formula has been derived by the teacher unions. Mary Bluett gave the formula to this minister. It is interesting to note that this Labor minister said that principals cannot believe how well they are doing and how much money they have, and that there is now more money and more transparency in school global budgets. Unfortunately, she forgot to tell the principals.

The principals had a meeting. On ABC radio Duncan Stalker of the secondary principals association said:

... the government has introduced a new staffing agreement into schools which we objected to very strongly because we simply cannot make it work. It’s unworkable.

He went on to say:

We’d be very happy for the minister to restore our confidence in her if she would — when we have tried and tried to say that the agreement is unworkable in secondary schools and the budget situation which has now been brought on as only on Wednesday night some two and a half months late, is unworkable. It is absolutely unworkable and for her to try and say it’s only in a few schools, the evidence was there yesterday with all of the principals in the state assembled that it’s not correct.

The association moved a motion of no confidence in the minister that was carried by 197 to 3. I repeat, 197 to 3!

An article in today’s *Age* states:

After the intervention of Premier Steve Bracks yesterday, the Victorian Association of State Secondary Principals agreed to give the government a further 48 hours to tackle school concerns over a new funding formula.

Forty-eight hours!

The ACTING SPEAKER (Mr Savage) — Order!
The honourable member's time has expired and the time set down by sessional orders for this debate has expired.

Debate interrupted pursuant to sessional orders.

HEALTH RECORDS BILL

Introduction and first reading

For Mr THWAITES (Minister for Health), Ms Campbell introduced a bill to establish a regime for the protection of health information held by health service providers and other organisations, to create an enforceable right of access to health information, to establish privacy standards for health information, to amend the Parliamentary Committees Act 1968, the Ombudsman Act 1973, the Freedom of Information Act 1982, the Health Services (Conciliation and Review) Act 1987, the Subordinate Legislation Act 1994 and certain other acts and for other purposes.

Read first time.

STATUTE LAW AMENDMENT (RELATIONSHIPS) BILL

Introduction and first reading

Mr HULLS (Attorney-General) introduced a bill to amend various acts to recognise the rights and responsibilities of partners in domestic relationships irrespective of the gender of each partner and for other purposes.

Read first time.

CRIMES (QUESTIONING OF SUSPECTS) BILL

Introduction and first reading

Mr HULLS (Attorney-General) introduced a bill to amend the Crimes Act 1958 so as to make further provision for the questioning or investigation of certain persons who are suspected of having committed an offence, to amend the Corrections Act 1986 and for other purposes.

Read first time.

POLICE REGULATION (MISCELLANEOUS AMENDMENTS) BILL

Introduction and first reading

Mr HAERMEYER (Minister for Police and Emergency Services) introduced a bill to amend the Police Regulation Act 1958 in respect of the disciplinary provisions, the Police Appeals Board and other miscellaneous matters and for other purposes.

Read first time.

TRANSPORT ACCIDENT (AMENDMENT) BILL

Council's amendments

Message from Council relating to following amendments considered:

1. Clause 2, lines 17 and 18, omit "31, 32, 34, 35, 36, 39, 40, 41, 43 and 44" and insert "31, 32, 33, 36, 37, 39 and 40".
2. Clause 4, page 6, after line 4 insert —
 - “(2) After section 3(7) of the **Transport Accident Act 1986** insert —
 - “(8) The definition of “transport accident” as amended by section 4(1) of the **Transport Accident (Amendment) Act 2000** applies to and in respect of any claim arising out of the transport accident which occurred on 7 February 1997 involving the pedal cycle of Mr Dale Sheppard as if the definition as amended by that section was in force when that transport accident occurred and this Act has effect accordingly.’”.
3. Clause 28, page 32, omit lines 7 to 11 and insert —
 - “(6B) A party must not adduce material referred to in sub-section (6A) in evidence in proceedings under this section unless —
 - (a) the party provides to all other parties in the proceedings, copies of the document or documents which form the evidence at least 6 weeks before the commencement of the trial of the proceedings; and
 - (b) if notice is given to that party by another party at least 2 weeks before the commencement of the trial of the proceedings, the party causes the person who supplied the information contained in the document or documents to attend the trial of the proceedings for the purpose of cross-examination.’”.
4. Clause 30, omit this clause.

5. Clause 31, omit this clause.
6. Clause 32, omit this clause.
7. Clause 37, line 26, omit "37" and insert "34".
8. Clause 40, omit this clause.
9. Clause 43, line 26, omit "43" and insert "39".
10. Clause 44, line 16, omit "43" and insert "39".
11. Clause 45, line 29, omit "45" and insert "41".

Mr CAMERON (Minister for Workcover) — I move:

That the amendments be agreed to.

Mr RYAN (Leader of the National Party) — I am not sure whether to take these amendments in turn or deal with the whole lot at once.

Mr Cameron — Together.

Mr RYAN — I shall deal with them as they appear on the list of amendments made by the Council. Amendment 1 relates to a series of what are really consequential amendments: they depend on the passage of the other amendments on the page. Bearing in mind that there is agreement between all the parties that the bill will pass, they can effectively be termed consequential amendments.

Amendment 2 might be termed the Dale Sheppard amendment. I make it clear that this amendment is there for a very specific and narrow purpose. As a matter of principle the National Party does not support retrospective legislation. It does not believe retrospective legislation is appropriate in the general course of things because it leads to instability and uncertainty in the community generally. Therefore, in instances where it might be employed in other ways the National Party might have grave concerns about its use.

However, in this instance the issue of retrospectivity is of secondary significance. The matter of primary importance in this case is that a promise was made to Dale Sheppard that he would be able to be accommodated in the Transport Accident Commission (TAC) scheme. The promise was made by the Treasurer of the current government when he was the Leader of the Opposition. It was a promise made in a completely unfettered and unqualified manner, and the National Party believes it should be kept.

Much is said in this place about protecting the most vulnerable people in the community. If anyone comes into that category it is this fellow, Dale Sheppard, whose life was changed forever in the blink of an eye.

The National Party believes the promise made to him should be honoured. As it happens, the mechanism of achieving it is the retrospective provision. However, I emphasise to the house and to the public at large that it is purposely drawn on an extremely narrow basis to accommodate that promise and ensure it is given effect. That is why the amendment is before the house.

Amendment 3 relates to clause 28. That clause in essence pertains to the government's endeavours to bring into civil litigation relating to common-law claims arising from motor accidents the blood alcohol readings and results of drug tests that have been obtained under the Road Safety Act. As a matter of general principle the National Party supports the policy thrust of the amendment. In this day and age it is a reasonable thing to do. We were of a mind to amend proposed section 6A, which clause 28 inserts into the act, because we had some concerns that the verbiage employed is clumsy and inevitably the provision will be back in Parliament for amendment once the courts have had the opportunity to consider it. Nevertheless, for the present purposes the National Party is prepared to allow it to pass.

However, we have incorporated within amendment 3 the addition of proposed section 6B. In effect, it will help to avoid the situation of what might colloquially be termed a trial by ambush. A party — this would be the TAC as a matter of general course — that wants to introduce into civil litigation the results of blood tests and drug tests and bring them into a court's consideration in civil proceedings will have to give at least six weeks notice of its intention to do so by delivering appropriate documentation or material in support of its case to the solicitors for the plaintiff.

In the case of the solicitors for the plaintiff who are in receipt of such material, they will need to give at least two weeks notice of their intention to cross-examine the witnesses who are pertinent to the preparation of that documentation. As I said, the intention is to avoid the position where the notion of trial by ambush exists. The bill will ensure appropriate notice is given to and by all parties.

Amendment 4 deletes clause 30. The clause as originally proposed contained a proposition whereby the government wanted to codify the existing common law. The National Party's objection to this is that there is simply no need for that to be done. The common law at present is recognised through two leading cases — *Humphries v. Poljak* and *Richards v. Wylie*. With the very greatest respect to the Court of Appeal in Victoria, I point out that the leading judgments — particularly those of the president of that court, the Honourable

Mr Justice Winneke — set out the situation very clearly and there is simply no need for the government to become involved in this issue.

However, the proposal advanced by clause 30 would have seen the circumstance, without a doubt, of additional litigation on that clause because in its final form it intended to break down the relevant provision of section 93(17) in a way that was completely artificial and certainly in a manner that the Court of Appeal had never deemed to be appropriate. It had always approached its interpretation of that provision in a holistic sense. So there was the risk that the attempt to codify the law would have caused great confusion. Also it may well have produced the outcome of precluding people who would otherwise be able to claim under the existing structure from being able to do so. I welcome the fact that the government now agrees to omit clause 30.

Amendment 5 relates to the omission of clause 31. In essence that clause pertains to the notion of an attempt by the government to set aside the concept of issue estoppel arising from the hearings in the County Court regarding serious injury certificate applications. Had the clause taken effect it would have meant that matters of fact that had been litigated in the first instance would have been able to be relitigated in the course of the subsequent trial after the granting of the initial certificate. The omission of the clause will ensure the maintenance of the existing law. The status quo will remain, and the National Party believes that is the way things should take effect.

Amendment 6 omits clause 32, which has three component parts. The first would have given the defendant, in practical terms the TAC, an as-of-right appeal to the Court of Appeal arising from a determination in favour of an applicant for the granting of a serious injury certificate. The National Party is pleased that that inappropriate provision will be omitted. Again the result will be the retention of the status quo in the existing law.

The second component of clause 32 would have provided that the Court of Appeal would have had to decide of itself the merits of an application for a serious injury certificate. Again, the National Party envisaged that that would have caused terrible problems for the Court of Appeal in exercising that role and is pleased to see the provision go.

Under the third component of the clause the original judge on hearing the serious injury application would have been required to provide complete and detailed reasons for the final determination for the granting or

otherwise of a certificate, as opposed to simply providing a summary of those reasons. The omission of that provision will result in the status quo being maintained. The National Party is pleased that the clause will be omitted.

I recognise, as was commented upon last night by the Honourable Theo Theophanous in another place, that now there will be a difference between the TAC's treatment of the matters as opposed to what happens under the Workcover legislation. Frankly, I did not recognise that provisions to that effect were contained in the amendments to the Workcover legislation that was passed earlier this year. In due course those provisions will need to be revisited so that an appropriately consistent position is established between the two areas, with the ultimate abolition of the amendments to the Workcover legislation.

Amendment 7 is consequential on other amendments. Amendment 8 is also a consequential amendment. It omits clause 40, which was a section 85 provision consequent on the passage of clause 30. Clause 30 will be omitted pursuant to amendment 4 and consequently clause 40 can also be omitted. Amendments 9, 10, and 11 are all consequential amendments. Suffice it to say that the National Party is pleased that the government has agreed to the various amendments and that they will take effect.

Ms ASHER (Brighton) — I will make a couple of observations on the National Party's amendments which were accepted by the Legislative Council and which are now accepted by the government. I will confine my comments to amendment 2, which has been termed by the Leader of the National Party the Dale Sheppard amendment. The amendment is unusual for many reasons and I will now place on the record the views of the Liberal Party on the matter.

Firstly, the amendment is unusual because it incorporates in the definition of a transport accident:

... any claim arising out of the transport accident which occurred on 7 February 1997 involving the pedal cycle of Mr Dale Sheppard ...

Clearly it is most unusual to have a reference to a specific accident incorporated in a definition.

Secondly, the amendment is unusual because laws generally do not mention only one person. I am not a lawyer but for many years I have listened to lawyers in political debate put the justifiable view that laws should be general and should apply to the general community, and that it is probably poor policy to make a specific law applying to a specific individual.

The third unusual aspect of the amendment is its retrospectivity. Although retrospectivity per se is not unusual, the bill provides for one particular set of benefits with retrospective application: the GST compensation package has retrospective application to 1 July, for obvious reasons. It is the retrospectivity associated with a particular accident that makes the amendment unusual.

Notwithstanding the unusual aspects of the amendment and that the opposition believes some form of ex gratia payment from the Transport Accident Commission or some area should have been found in this particular case, the opposition supports the amendment because of the extraordinary political and personal circumstances involved, which generate a high degree of human compassion for Mr Dale Sheppard. Although in the second-reading debate I commented at length on those circumstances, I touch on them again for the benefit of honourable members. The extraordinary circumstances were that the current Treasurer, then the Leader of the Opposition, paid an unsolicited visit to Mr Sheppard and promised him that he would be looked after by the Transport Accident Commission. He then took the unusual step of writing to every member of Parliament, announcing that he would introduce a private member's bill on the matter.

The government has been shamed into accepting the National Party's amendments. Notwithstanding the promises of the former Leader of the Opposition, now the Treasurer, a bill was introduced in the particular circumstance of a person in tragic circumstances being exploited for political gain and being promised full compensation. That bill did not provide full compensation to the gentleman concerned so the National Party decided to move the amendments in the Legislative Council and shame the government into accepting them. They did so with the support of the Liberal Party.

Mr Sheppard's is a tragic case on which the government should have acted earlier because of its commitment to the gentleman. He had been singled out and told that he would receive compensation from the TAC. It is a matter of public record and has attracted media and community comment that it has taken the government so long to address the issue. It has been forced to do so. It was shamed into accepting the amendments when its hand was forced by the intervention of the Leader of the National Party, whom I congratulate. I am pleased that the government has finally accepted the amendments.

On a personal note, I hope that as a consequence of the amendments Mr Dale Sheppard can get on with his life.

On behalf of the Liberal Party, I wish him every success for his future.

Mr CAMERON (Minister for Workcover) — I thank the Deputy Leader of the Liberal Party and the Leader of the National Party for their contributions on the amendments.

I am pleased that the principal thrust of the bill is preserved. It includes compensation for the GST for recipients of loss of earning capacity payments, increased benefits for spouses of non-earners killed in transport accidents, payment of the travel and accommodation expenses of spouses and dependant children for those who live in country Victoria, together with a raft of other improvements to the Transport Accident Commission scheme. Honourable members will be aware that the TAC has always enjoyed bipartisan support and it is pleasing that that will continue.

The government advised the parties that if amendments were accepted in the upper house they would be carried in this house. The government seeks to bring into effect some parts of the bill as soon as possible. This is the last sitting week and some provisions need to be in place by Christmas.

Although the government signalled its position on retrospectivity by voting against the amendments in the upper house, it will agree to them in this house so we can ensure passage of the bill.

Mr Acting Speaker, you would be aware of the government's position on retrospectivity. I thank the Liberal and National parties for their support in principle for the normal position on retrospectivity under accident compensation schemes. The issue of retrospectivity under the accident compensation scheme was a matter the government had to address in relation to Workcover. As you are aware, Sir, the commitment of the government was to bring about that change in its first 100 days of office. The changes to Workcover under the common law were backdated to the government's first day in office. The government's position remains unchanged; it was the position it took to the election.

The former Leader of the Opposition, who is now the Treasurer, said three years ago that he would introduce legislation of this type into this house, which he did. Governments are responsible for what occurs during their time in office, and this government's position remains unchanged.

Dale Sheppard will be the beneficiary of the bill. He is a bright young man, and the government wishes him

and his family well. It was, and still is, my hope that Mr Sheppard will be able to work in schools. He has been doing some voluntary work and he has talents the government is keen to see develop, but that will be a matter for Dale to consider.

I thank the opposition again for its overall support for the bill, notwithstanding the amendments made to it in the upper house.

The ACTING SPEAKER (Mr Savage) — Order! As the required statement of intent has been made pursuant to section 85(5)(c) of the Constitution Act 1975 during the second reading of the bill, I am of the opinion that the amendments are required to be passed by an absolute majority. As there are fewer than 45 members present, I ask the Clerk to ring the bells.

Bells rung.

Members having assembled in chamber:

Motion agreed to by absolute majority.

GAS INDUSTRY ACTS (AMENDMENT) BILL

Second reading

Debate resumed from 2 November; motion of Mr BRUMBY (Treasurer).

Mr PLOWMAN (Benambra) — Clarification of the many changes made in the gas industry is beneficial because its structure is not adequately understood. I commend to honourable members a publication entitled *Gas Industry Comparative Performance Report 1999* released by the Office of the Regulator-General as a document that clarifies issues surrounding the industry and its performance, the introduction of contestability and the success or otherwise of competition. It is worthwhile reading for any honourable member who wishes to better appreciate the complexity of the industry and the path it has followed since privatisation.

During the 1999 calendar year the industry was broken into three gas distribution businesses — United Energy, Envestra and TXU Networks — and three franchised retail gas companies — Ikon Energy, Origin Energy and TXU Retail. Some 98 per cent of Victorian gas is supplied from gas harvested from offshore platforms in Bass Strait by a BHP–Esso consortium that operates the Longford processing plant, of which all honourable members would be aware since the Longford disaster. Other gas is supplied from the Cooper Basin in South Australia and enters Victoria via a pipeline from Wagga that runs down through Albury and goes close to a golf

course on which the honourable member for Mornington often plays — and that is just to distract him from what he is doing now!

The gas is largely transmitted from the processing plant at Longford to the outskirts of Melbourne and other major centres via a transmission pipeline grid largely owned by GPU International. Those transmission functions are regulated by the Australian Competition and Consumer Commission. The distribution of gas is through the three distributors I referred to earlier — United Energy, which was formerly Multinet; Envestra, which was formerly Stratus Networks; and TXU Networks, which was formerly Westar.

United Energy distributes to some 600 000 customers in Melbourne's eastern suburbs and Envestra supplies some 410 000 customers in northern, eastern and south-eastern suburbs of Melbourne, the Mornington Peninsula and rural communities in northern Victoria. TXU Networks services more than 420 000 customers in Melbourne's western suburbs and in 19 country centres in western Victoria, including Geelong, Ballarat, Bendigo and Warrnambool.

Debate interrupted pursuant to sessional orders.

Sitting suspended 1.00 p.m. until 2.04 p.m.

DISTINGUISHED VISITOR

The SPEAKER — Order! It gives me pleasure to welcome to the Victorian Parliament Professor Nancy Andreasen, who is the Kearney visiting professor at the Mental Health Research Institute of Victoria. It has just been announced that Professor Andreasen has been awarded the United States President's national science medal. Congratulations and well done. For the information of honourable members, the award is being presented by President Clinton on 1 December.

BUSINESS OF THE HOUSE

Quoting from documents

The SPEAKER — Order! In the light of recent points of order taken over the requirement to make available to the house documents that have been referred to in debate, I wish to set out today the principles that apply.

The basic rule is that where honourable members are only referring to notes or to a document or are paraphrasing a document, those notes or the document referred to need not be produced. However, where

members quote from public documents in debate they must be prepared to make those documents available on request. Documents from public officers in connection with public questions are regarded as public documents.

Qualifications apply to the basic rule, namely:

1. If the document quoted from is a part of or attached to a file, the file also must be made available.
2. Where the document consists of more than one sheet, all sheets should be produced.
3. Documents or parts of documents which the Chair accepts as sensitive or confidential in nature, or to which the sub judice convention applies, need not be provided. Honourable members are reminded that where possible they should refrain from quoting from such documents in debate.
4. Where excerpts only from a report are referred to, only such excerpts need to be made available.

Requests to make documents available to the house should be made by points of order while the honourable member concerned is still speaking, or immediately afterwards.

Following a request, the Chair will ask the honourable member concerned whether he or she was quoting from such documents or referring to notes. The Chair relies on the good sense and integrity of honourable members to identify documents in the true sense when asked to do so. Accordingly, where an honourable member states that he or she was not quoting from a public document, there is no obligation on the honourable member to make the document available.

If a request has been appropriately made, it is the responsibility of the honourable member concerned to give the documents to the Clerk as soon as possible at the conclusion of his or her speech. The honourable member should not hand the documents directly to the honourable member who made the request.

In providing the documents, the honourable member is not formally tabling them but is making them available to the house. Consequently they are not in the custody of the house and the Clerk has no control over them. However, the Clerk will make copies available to the honourable member who made the original request and any other honourable members who ask for them. Copies will be available from the Clerk until the end of the sitting week. Where it is not practical for a file to be

copied, specific arrangements will be made for it to be viewed.

Mr Maclellan — On a point of order, Mr Speaker, following your ruling, which is a very useful one, by way of example, if I were to say that a minister, in this case yesterday, referred to a list of primary schools prepared for her by the department, which was in her hand in the house and from which she quoted, would you rule that that was a public document?

The SPEAKER — Order! I believe the ruling I just made to the house is specific and indicates that where a document that has been prepared by a public officer is brought into the house, that document on being quoted from and on a subsequent request for its production needs to be made available to the house.

I have already ruled on yesterday's points of order. I believe there is no need for me to rule any further on a closed issue.

QUESTIONS WITHOUT NOTICE

Schools: funding

Mr HONEYWOOD (Warrandyte) — I refer the Minister for Education to a confidential leaked memorandum from the Department of Education titled 'School global budget 2001 test primary school', dated 20 November this year, which applies the minister's flawed funding formula to the average Victorian primary school. Why did the minister claim that not one school would be \$1 worse off when she was clearly informed by her own department that the average primary school would be worse off to the tune of \$11 000?

Ms DELAHUNTY (Minister for Education) — I thank the honourable member for his question and I ask him to share with me the information he has.

Mr Leigh interjected.

The SPEAKER — Order! The honourable member for Mordialloc!

Dr Napthine interjected.

The SPEAKER — Order! I ask the Leader of the Opposition to desist.

Ms DELAHUNTY — This change to the funding model has been welcomed by the overwhelming number of schools.

Mr Cooper interjected.

The SPEAKER — Order! The honourable member for Mornington!

Ms DELAHUNTY — The primary principals association and now the secondary principals association have agreed that not one school will be \$1 worse off. That has been the result of consistent modelling by the department, and that is the advice it gives me. As we explained last week when we gave the global budgets to schools, that involves the handful of schools that believe they may have difficulties in their staffing profile, despite the fact that overall we have invested an extra 3 per cent in school global budgets — that is, \$140 million extra. If the honourable member has some information that would be helpful to our schools, we would be happy to see it.

Electricity: Basslink

Mr RYAN (Leader of the National Party) — I refer the Treasurer to the continued outrage in Gippsland over the proposal to build the Basslink project using pylons, and further, to the government's recent decision to spend an extra \$71 million to protect the environment and build part of the Eastern Freeway extension underground. In the interests of protecting the Gippsland regional environment, will the government also subsidise the undergrounding of the Basslink cable?

Mr BRUMBY (Treasurer) — What an extraordinary question from the Leader of the National Party, who has been out there — —

Mr Perton interjected.

The SPEAKER — Order! I ask the honourable member for Doncaster to cease interjecting.

Mr BRUMBY — What an extraordinary question from the Leader of the National Party who seems to be a bit schizophrenic about his position on this project. When he was in government — —

Dr Napthine — On a point of order, Mr Speaker, I ask the Treasurer to withdraw the use of the word 'schizophrenic' in that context. On a day when a professor from the Mental Health Research Institute of Victoria is visiting, Parliament should show better standards than to use mental health as a form of abuse.

Honourable members interjecting.

The SPEAKER — Order! Will the house come to order! The honourable member for Geelong North!

Yesterday I counselled the house, and I do so again, on the need to use moderate language in debate in the chamber to allow proceedings to run smoothly, particularly during question time. Unfortunately, the Chair did not hear the remark of the Treasurer, but I ask him to assist in my request for orderly conduct during question time and to withdraw the remark.

Honourable members interjecting.

The SPEAKER — Order! I ask the Treasurer to indicate his position.

Mr BRUMBY — I am happy to withdraw.

The Leader of the National Party had one position in government and has another position in opposition. One moment he is for the project and the next he is against it. Basslink is not a project sponsored by the Victorian government, it is a project sponsored by the Tasmanian government.

Honourable members interjecting.

The SPEAKER — Order! This is the second time I call the honourable member for Doncaster to order. I shall not do so again.

Mr BRUMBY — Given that the project is potentially a national investment the Victorian government is interested in the views of the federal government — the Prime Minister, the federal Treasurer and the Minister for Industry, Science and Energy. The government is interested in whether they think this is a project — —

The SPEAKER — Order! The Deputy Leader of the Opposition should not invite interjections across the table in that manner.

Mr BRUMBY — In terms of the Victorian government's role in the project an environmental effects process is presently under way.

In direct response to the question raised, it was whether the Victorian government will subsidise — what is it? — 150 kilometres at \$1.5 million extra a kilometre to put it underground. The National Party wants the government to fork out \$300 million for a Tasmanian project! The government will put it on the list — \$200 million, \$300 million, \$400 million! The answer is no!

Schools: government policy

Mr NARDELLA (Melton) — Will the Premier inform the house of the latest action taken by the

government to build a better education system in Victoria.

Mr Honeywood — Mr Speaker, opposition members did not hear the question.

The SPEAKER — Order! I suggest to the house that honourable members could not hear the question because of the level of noise they are making. I particularly ask members on the opposition benches to cease interjecting so we can all hear the question. I ask the honourable member for Melton to extend the courtesy to the house of repeating his question.

Mr NARDELLA — I ask the Premier to inform the house of the latest action taken by the government to build a better education system in Victoria.

Honourable members interjecting.

The SPEAKER — Order! I ask the Leader of the Opposition to cease interjecting.

Mr BRACKS (Premier) — Mr Speaker, I thank the honourable member for Melton for his question, for his continuing interest in the education system in Victoria and his continued support for education through the seven dark years in opposition.

There is one simple fact — —

Honourable members interjecting.

The SPEAKER — Order! I have called the Leader of the Opposition a number of times. The honourable member for Tullamarine!

Mr BRACKS — There is one simple fact that cannot be escaped and that is that the government in Victoria has achieved more in education than that mob did in seven years. I will illustrate exactly what they left us after seven years of custody of the Victorian education system. Let us look at the former government's legacy.

With the compliance and complicity of honourable members opposite they closed 326 school sites in Victoria and sacked 9600 teachers from the school system.

What was the result of those twin policies? After seven years under the previous government, two things happened. The year 12 retention rate fell by 10 per cent to under 70 per cent. What a legacy!

Honourable members interjecting.

The SPEAKER — Order! The honourable members for Carrum and Mitcham!

Mr BRACKS — Secondly, in a study undertaken of students in their early years of schooling, the literacy and numeracy levels of 13.8 per cent of year 3 students were below national standards. On every test this mob failed on education after seven years.

Honourable members interjecting.

The SPEAKER — Order! The honourable member for Bentleigh!

Mr BRACKS — They failed because public education was one of their lowest priorities.

To go to the matters raised by the honourable member for Melton, education is one of the highest priorities of this government. I will now illustrate its achievements to date and explain ahead of time what the government is doing. To date we have already employed 1000 extra teachers and support staff in our schools, and we have already lowered class sizes in prep and grades 1 and 2. We have returned pupil welfare coordinators to our secondary school system, and school nurses, sacked by that side, are back in the middle years of schooling.

Honourable members interjecting.

The SPEAKER — Order! The honourable member for Frankston East!

Mr BRACKS — I will also look ahead to what the government is doing to address the seven years of neglect and destruction under the previous government. Following two commissioned reports, the Kirby report and the Connors report, new targets have been set for education in Victoria. The first task is to address one of the legacies of the previous government by aiming for a 90 per cent completion rate to year 12 or its equivalent. Secondly, we will close the gap between country and city schools to some 6 per cent, where currently the gap is about 7 per cent.

Mrs Peulich interjected.

The SPEAKER — Order! I warn the honourable member for Bentleigh.

Mr BRACKS — Thirdly, we will lift — —

Mrs Peulich interjected.

The SPEAKER — Order! I warn the honourable member for Bentleigh.

Mr BRACKS — We will lift literacy and numeracy levels above the national benchmarks — and above what they were under the previous government. One of our strategies to achieve that is to put more funds and resources where they are needed — that is, in school global budgets. The government has put \$140 million of new money into school global budgets, lifting them by 5 per cent. It has put resources where they are needed to lift the standard overall.

The government wants a highly skilled and highly educated work force in the state. It wants to make sure that no matter where you live — whether it is in the country or in an area of high unemployment — you can get the best possible start in life. That is where the resources are going. I congratulate the Minister for Education on implementing those reforms. Why are they needed? Because of seven years of cuts and destruction!

Schools: funding

Mr HONEYWOOD (Warrandyte) — I refer the Minister for Education to leaked email correspondence dated 21 November from the Victorian Primary Principals Association highlighting serious concerns about the large number of primary schools that will be worse off as a result of the minister's flawed funding arrangements, and I ask whether all Victorian primary schools will now be given additional funding similar to that promised to the secondary schools yesterday to meet the shortfall created by the minister's flawed funding arrangements.

Ms DELAHUNTY (Minister for Education) — There has been a 5 per cent increase in school global budgets, or an increase of \$140 million. I ask the opposition, 'Do you want more money going into schools, yes or no?'

Honourable members interjecting.

The SPEAKER — Order! Will the house come to order! I ask the honourable minister not to invite interjections by debating across the chamber. She should address her remarks through the Chair.

Ms DELAHUNTY — Through you, Honourable Speaker, I invite the opposition to answer the question asked by the public: does it support more money going into schools budgets, yes or no?

Significant new funds have been freed up under this funding model. It has been welcomed by schools and several times publicly by the Victorian Primary Principals Association of Victoria. I read out the agreement yesterday with the Victorian Association of

Secondary School Principals. Funds will be made available to top up the needs of a handful of schools that feel their staffing profiles need some assistance during the transition period. Not one school will be one dollar worse off. All costs will be met within the Department of Education, Employment and Training budget, as acknowledged now by both principals' associations. Indeed, the details of the change to school global budgets was outlined in great detail by the Director of Schools in a circular to all 1631 schools in the state.

On 15 November explanations were given of how the change would work and what the transitional arrangements would be. It was made very clear that the extra funding should be directed to the government priorities that have been outlined again by the Premier — that is, lifting literacy and numeracy standards, diminishing truancy and, in particular, lifting those all-important year 12 retention rates.

In that circular to all schools, the Director of Schools said:

The Office of Schools will guarantee the difference between the actual salary costs of teachers in those schools needing transitional support, ensuring that no school will be disadvantaged.

That was the detail given to every school last week, and that is the position this week.

Information technology: training

Mr HELPER (Ripon) — I ask the Minister for State and Regional Development to advise the house what action the government intends to take to address the skills shortage in the information and communications technology industry in Victoria.

Mr BRUMBY (Minister for State and Regional Development) — Every member of the house would be aware that a longstanding issue for Australia and Victoria has been the shortage of skilled people to fill jobs that have been generated in the information and communications technologies (ICT) industry. It is estimated that in Australia over the next three years something like 100 000 new information technology (IT) jobs will be created and that half of those jobs will be unfilled.

Some months ago the government established the ICT skills task force jointly chaired by me and the Minister for Post Compulsory Education, Training and Employment. Following the four meetings that were held the task force produced a report called *Skills x Knowledge = Growth*. Today the government

launched the first stage of the government's response to that report.

At a lunchtime function the Minister for Post Compulsory Education, Training and Employment and I laid out the blueprint for growth in ICT skills in this state. We tabled the *Skills x Knowledge = Growth* report and announced on behalf of the government a number of key initiatives. The first was a \$1 million awareness campaign to encourage more young people in schools, and young girls in particular, into careers in ICT. We also announced today a secondary school-based ICT excellence fellowship program that will enable students to develop skills in real-world entrepreneurial settings. We announced an ICT achievers program to help 50 Victorian students learn entrepreneurship and the skills needed to commercialise new ideas. We announced an ICT careers pathway system that will allow students to map their progression into high-tech careers. We also announced an ICT skills tracking and monitoring system.

The government's first-stage response to that report will be backed by a major statement next week by the Minister for Post Compulsory Education, Training and Employment titled 'Skilling Victoria for the Information Age'.

Members of the ICT skills task force attended the government's launch today. I will quote some of the comments made by people involved in the industry about the government's report. I will start with the comments made by Di Fleming, principal of Kilvington Girls Grammar School, who said:

Skills x Knowledge = Growth is a major step forward for this state.

At the lunchtime function today she said it was a wonderful moment for Victoria.

Terry Cutler, principal of Cutler and Company, said:

This is the most substantial report on ICT skills issues that has been produced in Australia so far.

Bruce Thompson, a leading Australian ICT figure, said:

Skills x Knowledge = Growth establishes a base on which Victoria can build its future as an ICT headquarter.

Professor John Rosenberg, dean of the faculty of information technology at Monash University, said:

The Victorian government is leading a new direction in this state.

Finally, Brian Donovan, executive director, IT & T Skills Exchange, said:

Skills x Knowledge = Growth is a good start, to begin to tackle the skills issues critical for a leading ICT business environment. It contains some exciting and practical new initiatives, founded in government-industry partnerships, that will consolidate Victoria's leadership in ICT.

For years no government in Australia has tackled the ICT skills issue. The Bracks government has done it. It set up the ICT task force; it has built a partnership with the private sector, and in response to that it has produced a comprehensive plan for growing the knowledge economy.

The government announced those initiatives today. Next week the Minister for Post Compulsory Education, Training and Employment will announce further initiatives to consolidate Victoria's position as the leading state in ICT development in Australia.

Fire blight: New Zealand imports

Ms DAVIES (Gippsland West) — Given that the federal government is apparently prepared to wimp out of accepting its proper protective role, I ask the Minister for Agriculture what extra measures the state government will take to keep New Zealand apple-borne and pear-borne fire blight out of Victoria's orchards.

Mr HAMILTON (Minister for Agriculture) — I thank the honourable member for her question on this absolutely critical issue for apple and pear growers in this state. I have no doubt there is intense interest in the issue among all members of the house, in particular the honourable members for Shepparton, Mornington, Gisborne and Narracan.

The question about the importation of New Zealand apples has to be decided by the federal coalition government. Indeed, it is the responsibility of Liberal and National Party members in this house to ensure that their federal parliamentary colleagues, especially those in Victoria, take on their responsibility not only to make sympathetic noises in their local electorates but also to do something that was never in evidence when the coalition was in government in Victoria — that is, to stand up and vote against the problem.

Mr Ryan interjected.

Mr HAMILTON — I note the interjection of the Leader of the National Party, who told us this morning something we all knew — that is, the National Party is no longer the Country Party. Everybody on this side of the house knew that long ago.

The position of the government and the Department of Natural Resources and Environment is that under the import risk analysis (IRA) assessment processes there

must be negligible risk — that is, no risk — of importing fire blight into this country from anywhere, whether it be New Zealand, the United States or any other country where fire blight is found.

The assessment process has a complex matrix of measuring under the probability theory the final total risk for fire blight entering this country.

Dr Napthine interjected.

Mr HAMILTON — If you want an example, the probability of 0.1 matched together with a probability of 0.5 will give a total probability of 0.05. Your mathematics is not too bad for an ex-vet.

The department, in what has been a cooperative effort with the industry, has examined the IRA made by the Australian Quarantine and Inspection Service on behalf of the federal government and come to the conclusion that some of the factors in the matrix presented by the IRA have not been subjected to critical scientific analysis.

The meetings between the Department of Natural Resources and Environment and industry representatives have been progressive. They have come to the conclusion that the IRA published by the Australian Quarantine and Inspection Service is scientifically wanting, to say the least. The government's response will be to argue that the IRA can and must be tightened under the AQIS rules because there is sound scientific argument that the current assessment by AQIS is at fault. That argument will be made through the proper channels and will enable the government to maintain its credibility as a sound judge of import risks. Providing it is carried out in a proper manner, it will not result in retaliatory processes from other countries that do not have sound scientific bases for preventing imports of our primary products.

The SPEAKER — Order! The minister is not being succinct. I ask him to conclude his answer.

Mr HAMILTON — I conclude by saying that Australia is a net exporter of food and agricultural products. Policies must be put in place that are subject to criticism from international organisations. We cannot put our valuable food and agricultural exports at risk by not adopting a sound scientific basis for this. That is proceeding, and it is looking promising. I am sure that if the federal government makes its judgment based on science, it will reject the application to import New Zealand apples. If the honourable members opposite do the right thing, they will make sure that happens.

Schools: funding

Mr HONEYWOOD (Warrandyte) — I refer the Minister for Education to the fact that Rosebud Primary School will be \$83 000 worse off as a result of her new flawed funding formula.

Mr Batchelor interjected.

The SPEAKER — Order! The Leader of the House.

Mr HONEYWOOD — How does that rest with the minister's claim in the Parliament, reiterated today during the debate on the matter of public importance, that no school will be worse off under the new school funding formula?

Honourable members interjecting.

The SPEAKER — Order! The honourable member for Carrum! I ask members on the opposition benches to come to order.

Ms DELAHUNTY (Minister for Education) — Not content with starving schools for seven years, the opposition is now absolutely determined to ensure that the extra money the Bracks Labor government wants to invest in education is in some way stymied.

In the past couple of days the government has had a lot of calls from principals claiming that the opposition is beating up the issue and alarming schools unnecessarily. For example, the principal of the Portland North Primary School phoned today. I wonder which electorate that is in. The principal said he welcomed the new model.

Mr Perton — On a point of order, Mr Speaker, I can understand that the minister is a little lost. The question — —

The SPEAKER — Order! The honourable member should get to his point of order.

Mr Perton — It was a specific question relating to the funding of the Rosebud Primary School. The minister is lost at the other end of the state.

The SPEAKER — Order! I have repeatedly asked honourable members not to take points in debate in raising points of order. The honourable member for Doncaster has offended again. There is no point of order, and the Chair will not continue to take frivolous points of order from him.

Ms DELAHUNTY — In a telephone call the principal of the Portland North Primary School today

said the school welcomed the government's fairer model. I believe the school is in the electorate of the Leader of the Opposition, but honourable members know that he is rarely down there.

I am assured by the principal that Portland North Primary School will be better off to the tune of around \$75 000.

Honourable members interjecting.

The SPEAKER — Order! The honourable member for Mornington!

Ms DELAHUNTY — Bolwarra Primary School — —

Mr Cooper — Where's Rosebud's money?

The SPEAKER — Order! I warn the honourable member for Mornington.

Ms DELAHUNTY — A good policy and a new model will mean that Bolwarra Primary School will be about \$31 000 better off.

I can give lists and names. The government knows that the funding model has been welcomed publicly and privately by the principals associations, particularly the primary school principals. Overwhelmingly schools are telling the government they are better off. Not one school will lose \$1. The smaller schools, particularly in regional Victoria, will be advantaged.

Water: conservation strategy

Mr HOLDING (Springvale) — I refer to the government's statewide water conservation strategy following three years of very dry conditions in many parts of the state. Will the Minister for Environment and Conservation inform the house of how successful the campaign has been and whether she anticipates there will be water restrictions in Melbourne this summer?

Ms GARBUTT (Minister for Environment and Conservation) — The Bracks government has shown great leadership in the management of Victoria's limited water resources. Unlike the previous government, which even after three years of drought did nothing, the Bracks government has been active in managing the state's water resources.

Last June I announced a statewide water conservation strategy, which has played a significant role in increasing community awareness about responsible water usage through education, advertising and regular updates on the water storage situation. I also called for a

review of the drought response plans of the supply systems across the state, which led to water authorities updating their drought preparedness planning with good results.

Following good spring rains, particularly in the past month, storage levels across most of the state have improved. As a result I am pleased to be able to say that just 65 towns remain on mandatory water restrictions, compared with 150 last month. Most of the towns still on restrictions feed off the Wimmera system, where unfortunately dry conditions are continuing.

Melbourne received above average rainfall in October and that has led to a big increase in water security. Storages are now up to 63 per cent capacity. Melbourne Water has advised that if responsible water usage continues restrictions will not be required in the Melbourne metropolitan area this summer. That good news follows the wettest spring and winter period in four years — it is not a long time, the wettest since 1996. As I said, the reservoirs that service Melbourne are currently running at about 63 per cent of capacity and the levels are rising. They are not falling, which was the situation last year.

The government will continue with its statewide water conservation campaign to ensure that people still get the message that Victorians need to use this limited and precious resource wisely into the future. Because of the actions of the government Victorians can be assured that the state is well placed to manage its water resources this summer.

Schools: funding

Dr NAPTHINE (Leader of the Opposition) — I refer to the in-principle arrangement between the government and secondary school principals outlined to the house yesterday. Will the minister advise the house of the additional cost of the implementation of the arrangement and whether the cost is to be met from her own budget or from an additional allocation from Treasury?

Ms DELAHUNTY (Minister for Education) — I repeat, the government has invested a further 5 per cent in school global budgets. The Bracks Labor government has increased the investment it has made in schools from \$2.78 billion to \$2.92 billion — that is what the government is investing in schools on behalf of the Victorian public. It is an increase of \$140 million.

As a result of the new funding formula, which has been so well supported, significant funds have been freed up. Those funds will be made available to those schools

that require transitional support. No school will be \$1 worse off, and all costs will be met by the Department of Education, Employment and Training. Both these matters were acknowledged by the secondary principals association again yesterday. The agreement reached yesterday with the association complements the arrangements the government put to all primary and secondary principals last week.

Again I repeat, last week before the school global budgets went out a detailed three-page circular was sent to every school in the state — that is, 1631 schools — explaining the new funding formula, the schools that were advantaged and what that money should be used for — that is, the Bracks government's educational priorities.

I repeat, the Office of Schools said that it will guarantee the difference between the actual salary costs of teachers and those small number of schools needing transition support — —

Dr Napthine — On a point of order, Mr Speaker, on the issue of relevance, the question related to how much extra the implementation of the arrangement would cost.

Mr Bracks interjected.

Dr Napthine — The Premier says by interjection, 'Nothing extra'. Perhaps the minister could confirm that?

The SPEAKER — Order! The honourable member will get on with his point of order.

Dr Napthine — My point of order is that the minister should answer the question: how much extra is this going to cost Victorian taxpayers?

The SPEAKER — Order! I will not allow the Leader of the Opposition, upon taking a point of order, to repeat his question. The minister's remarks were relevant to the question. The Chair has ruled on a number of previous occasions that it is not in a position to elicit a specific answer that the member asking the question might want the minister to provide. It is entirely the minister's prerogative to answer the question in the way she or he sees fit, so long as his or her remarks are relevant to the question.

Ms DELAHUNTY — Clearly the opposition does not want to hear the answer to the question. I repeat: what was offered to all schools last week was confirmed again yesterday and accepted by the secondary school principals. There is no extra money as a result of the principals agreeing to the funding

formula we offered them last week and the week before. An increase of \$140 million is going into school global budgets. All transitional funding will be met within that figure and within the Department of Education, Employment and Training.

FOI: government policy

Ms DUNCAN (Gisborne) — Will the Attorney-General inform the house of the latest information concerning freedom of information applications?

Mr HULLS (Attorney-General) — As all members of the house would know, when Labor came to government it introduced some changes to ensure Victoria had true freedom of information legislation. It was freedom from information under the previous regime; it is now freedom of information. The government also introduced some guidelines on how the department should deal with freedom of information applications.

As honourable members ought to know, the freedom of information annual report was tabled today. It shows the number of requests has increased by 8 per cent.

An honourable member interjected.

Mr HULLS — I will get to that. When full and part access are combined, 88 per cent of all applications resulted in access to documents. There has also been a dramatic — —

Mr McArthur — On a point of order, Mr Speaker, I raise the question of the admissibility of the question and the answer. Previous rulings by Speakers have on numerous occasions indicated to the house that a question should not seek already published information. The Attorney-General has just said the information requested in the question comes from a document that was tabled in the house today and is in the hands of or available to all honourable members. It is therefore a waste of question time to use a question in this manner. The information is already in the hands of honourable members.

The SPEAKER — Order! I am not prepared to uphold the point of order, but I remind the Attorney-General that he must not refer in his answer to information that is readily available to honourable members through reports.

Mr HULLS — Freedom of information has been opened up in this state.

An Honourable Member — What rot!

Mr HULLS — It is interesting to note that a couple of freedom of information applications have been made recently; I am sure the people who made those applications are very happy with the way freedom of information has been opened up in this state. Indeed, I am sure a number of former Liberal Party members who run a strategic communications firm in Victoria would be very happy to vouch for how impressed they were with the information they received under freedom of information requests to all departments and all government bodies. Indeed, I believe the information they sought was provided as soon as they put in their requests — immediately. As a result the requests were withdrawn as soon as they were put in because the documents were handed over forthwith.

Honourable members interjecting.

Mr HULLS — That is rare. That includes former Liberal member of Parliament Phil Gude. He is using the new freedom of information legislation to gain access to documents, so he has been pleased with the new laws. But so is former Premier Jeff Kennett, who was one of the first people to use these new laws. He was desperate to get full access to documents he had requested under freedom of information concerning a police investigation into the use of his corporate credit card while he was Premier. He whacked in a freedom of information request and straightaway he got all the documents. I am sure he is pleased with the way freedom of information has been opened up in Victoria.

Mr Doyle — On a point of order, Mr Speaker, given that the Attorney-General is so proud that documents are being provided forthwith and — —

Honourable members interjecting.

The SPEAKER — Order! I ask the government benches to come to order so the Chair can hear.

Honourable members interjecting.

The SPEAKER — Order! The Deputy Premier and the Minister for Gaming!

Mr Doyle — Given that the Attorney-General is so delighted that documents are provided — —

Honourable members interjecting.

The SPEAKER — Order! I ask the house to come to order. The Chair has not had the opportunity to hear the very few words that have been uttered by the honourable member for Malvern.

Honourable members interjecting.

The SPEAKER — Order! I ask the Deputy Premier to cease interjecting.

Mr Doyle — Given that the Attorney-General is so proud that documents are provided and given so promptly that VCAT gave me access to documents from the Department of Premier and Cabinet two and a half weeks ago, will he now produce them forthwith?

The SPEAKER — Order!

Mr Brumby interjected.

The SPEAKER — Order! I do not need advice from the Treasurer.

I do not uphold the point of order. The honourable member for Malvern has defied the earlier direction from the Chair about taking points of order to make a point in debate. The Chair will not be tolerant with him if he continues to raise points of order in that vein.

Honourable members interjecting.

The SPEAKER — Order! The Attorney-General, completing his answer.

Mr HULLS — Freedom of information has been opened up in Victoria. A number of requests have been made by the opposition. My advice to the opposition about submitting freedom of information requests is that you do not put in requests for material that is already on the public record.

The SPEAKER — Order! I ask the Attorney-General to address his remarks through the Chair and not across the table in the manner he was just doing.

Mr HULLS — It is important that opposition members understand that they do not need to put in freedom of information requests to obtain information that is already in publications and on web sites, including the new public register that contains details of major contracts.

Some requests have been refused under section 25A of the act on the basis that they require voluminous amounts of information. Indeed, they ask for a whole range of documents, and it would take a long time for government departments to go through those documents. I point out that section 25A was a new section introduced by the old government — it was introduced in 1993 by the Kennett government — so opposition members are being hoist with their own petard in relation to those requests.

The government will continue to review the freedom of information legislation. However, the fact that there has been such a huge increase in the number of documents released shows that the Freedom of Information Act under the Bracks government is working. It is all part of the Bracks government being open, honest and accountable — something the mob opposite cannot stand.

DISTINGUISHED VISITORS

The SPEAKER — Order! I gives me great pleasure to welcome to the Victorian Parliament a delegation of public prosecutors from Tianjin, Melbourne's sister city in China, who are here as guests of the Law Reform Committee.

GAS INDUSTRY ACTS (AMENDMENT) BILL

Second reading

Debate resumed.

Mr PLOWMAN (Benambra) — Prior to the suspension of the sitting I was talking about the distribution and transmission companies. I was referring to the TXU Networks, which have a large swag of customers in Melbourne's western suburbs and in 19 country centres around Victoria, including Geelong, Ballarat, Bendigo and Warrnambool. They also service a significant proportion of Victoria's large and high-load industrial customers.

Currently large and medium-sized commercial customers can choose their retailers, and domestic customers will be able to choose their retailers from September 2001. I will quote from the table contained in the *Gas Industry Comparative Performance Report 1999* of the Office of the Regulator-General, which spells out clearly how and at what rate contestability is being introduced into the gas industry in Victoria.

On 1 October 1999 approximately 35 customers became eligible for contestability under the new time frame. Those 35 customers use about 24 per cent of the total gas used in Victoria. They include the larger paper and brick manufacturers and the big industries that use in excess of 500 000 gigajoules of gas per annum.

On 1 March 2000 an additional 110 customers were introduced into the contestable market. They account for 13 per cent of the market, which takes the total to 37 per cent. They are the medium-sized businesses such

as hospitals and hotels that use in excess of 100 000 gigajoules of gas a year.

The customers who use between 5000 and 100 000 gigajoules were to be introduced to the contestability market on 1 September. However, the customers who will be introduced by that date have now been restricted to those who use between 10 000 and 100 000 gigajoules. That will mean the introduction of an additional 600 customers to the contestable market on that date. Those larger commercial operators constitute about 8 per cent of the gas market.

The next group comprises approximately 600 small commercial customers that account for about 4 per cent of total gas usage in Victoria. The date for their introduction is yet to be determined by the government. It is hoped that they will be introduced to the market prior to 1 September 2001, but there is no guarantee of that. Certainly the date has not been advised to the Office of the Regulator-General. Those customers use between 5000 and 10 000 gigajoules of gas a year. The remaining group is the just on 1.5 million domestic customers who use less than 5000 gigajoules of gas a year. They account for 51 per cent of the total gas used in Victoria.

The bill retrospectively delays full market access to the small businesses that use between 5000 and 10 000 gigajoules of gas a year. As I said, indications are that they will be taken on, together with domestic customers, from 1 September 2001. A sunset clause in the bill requires all the changes to be made by 31 August 2004, which is particularly relevant to the deemed contract provisions. The Office of the Regulator-General will have an overseeing role in the transfer of all those customers to contestability.

The reason given for the delay in including customers who use between 5000 and 10 000 gigajoules a year is the unacceptable cost of metering at the smaller end of the market. The Office of the Regulator-General requires the use of smart meters — that is, meters that can indicate the use of gas during the high and low-peak times of the day — or devices called data loggers. Both those devices cost about \$1000 or more.

It is fair to say that is a cost that is prohibitive to some of those smaller end-market users. As I said, domestic users use only some 51 per cent of the gas but constitute some 98 per cent of all customers in the gas market.

The bill introduces customer protection mechanisms that oblige existing retailers to offer to continue to supply gas to existing customers and a reserve pricing

power with terms and conditions. The reserve pricing power is organised so that only the minister may make a submission to the Office of the Regulator-General for its introduction. The Regulator-General reviews the submission and it is then tabled in Parliament. The Regulator-General may then come back to the minister with advice to introduce reserve pricing power directly into the market. The minister may ask the Office of the Regulator-General to handle it and use an order to introduce the power.

The third obligation of existing retailers is the mandatory requirement to provide community service obligations for five years. The requirement will be reviewed at the end of that time but once those community service obligations are introduced they are for the total period of five years.

The fourth point is the provision of deemed contracts referred to in proposed section 48MC, which is inserted by clause 12 and which states:

- (1) If a person —
- (a) was a franchise customer immediately before 1 September 2001; and
 - (b) has not entered into a new contract with a licensee which takes effect on or after that date —
- there is deemed to be a contract between that person and the licensee of which the person was a customer immediately before that date for the sale of gas at the tariff determined by the licensee in accordance with any Order in force under section 48AA or, if there is no such Order, at tariffs determined by the licensee and published by the licensee in the *Government Gazette* at least two months before they take effect and otherwise on the terms and conditions applying to that licensee under section 48MA.
- (2) The deemed contract continues until —
- (a) the contract is terminated; or
 - (b) if the customer enters into a new contract for the purchase of gas from the licensee in respect of the same premises, the date of taking effect of that new contract —
- whichever first occurs.

There is a requirement to involve Vencorp in the process of customer transfer to the new competitive market or from one company to another. Retailers will be requested to meet costs associated with this function with the approval of the Office of the Regulator-General. Gas businesses have been consulted and are supportive of the existing model that will be used until further legislation is developed.

The Gas Safety Act amendments are largely to introduce stricter provisions applying to backhoe operators to avoid the sort of damage that has occurred in the past. Notification is required for an operator to dig near a pipeline, and it is now an offence to dig within 3 metres of a pipeline without authority. I am pleased that farmers are exempted, providing that the depth of the cultivation is no more than 300 millimetres or about 1 foot.

It is now an offence to sell an unsafe appliance, except to a repair business. The person selling the appliance is obliged to notify the repair business that the appliance is faulty. It is an offence to sell any gas appliance to any person or market, including a common market, knowing that it is faulty.

Clause 22 inserts proposed section 69A, which provides that the Office of Gas Safety may declare that an appliance or class of appliances is no longer accepted for the purposes of the act if it appears to the office that the appliance or class of appliances is or is likely to be unsafe to use. Clause 31 provides for a right of appeal against a declaration under proposed section 69A that an appliance or class of appliances is no longer accepted. One provision applies to an appliance that is faulty and the other to an appliance deemed by the office to be unsafe for sale. The bill contains a power for the recall of faulty appliances, which may be likened to Mitsubishi's recent recall of motor vehicles. Prior to the legislation there was no opportunity for the Office of Gas Safety to withdraw an appliance from sale.

Labels explaining energy efficiency ratings are now required to be placed on appliances, which will be valuable to consumers who are concerned about the efficient use of energy.

There is also a quality requirement for gas that is being supplied for an appliance. That is pertinent in some areas of country Victoria where people are processing gas from a product, mixing it to their own specifications, and putting it on the market under their own labels. This will mean if that is to continue, the gas has to meet the provisions in the act.

However, my main concern comes from the second-reading speech, which states:

The provisions contained in the bill will allow the threshold to be reduced back to 5000 gigajoules prior to 1 September 2001 if —

I emphasise the word 'if' —

the government subsequently considers that metering costs are acceptable and adequate protections are in place.

Despite the fact that the bill is in the best interests of consumers, I am concerned that contestability should go ahead. We do not want any ifs or buts; contestability must continue. This has been a delay for customers using between 5000 and 10 000 gigajoules of gas. It is unacceptable to have the 'if' in the second-reading speech. If the government is not satisfied, this rate of development into the contestable market will not continue at the pace it was designed for at the initial stages. The second-reading speech continues:

While the bill retains 1 September 2001 as the date for the introduction of full retail competition, it includes a power, exercisable by order in council, to restrict gas retailers from selling gas to particular customers or classes of customers after that date.

That part of the second-reading speech is of concern to the opposition. I am certainly concerned about it as a member of the community who wants to see a contestable market introduced for the domestic market and those smaller businesses between 5000 and 10 000 gigajoules.

Mr KILGOUR (Shepparton) — The Gas Industry Acts (Amendment) Bill is important for the industry and is the result of the privatisation process that was put in place some time ago by the previous government. The National Party is pleased to see the full extent of the privatisation program coming to fruition and the contestability that is so important to the industry, as it was with electricity, becoming a part of our daily lives.

The National Party does not oppose the bill. It is good to see the program continuing. Reading through the Regulator-General's comparative performance report, it is interesting to note the performance of the gas industry.

Over recent years we have seen a major change in the structure of the industry. In July 1997 the former Gas and Fuel Corporation was disaggregated into three gas distributors and their related gas retailers, which were then sold on to private industry. They were sold to people who wanted to be in the industry, who wanted to make a profit and make it work for Victoria.

It was the role of the Office of the Regulator-General to regulate the distributors' prices and service standards, and to manage licensing arrangements for the distribution and sale of gas in Victoria. To that end it has done a good job.

So far as production of gas is concerned, the majority of the gas, or about 98 per cent of it, is supplied by the BHP Esso consortium from the Longford processing plant in Gippsland. We all well remember the problems

caused in Victoria after the unfortunate incident in which lives were lost in a massive fire at the gas plant.

The gas is transmitted after processing at Longford to the outskirts of Melbourne and other major centres by GPU International. The transmission functions are regulated by the Australian Competition and Consumer Commission.

Then we get to the distribution of gas. Gas is transported to end users by three different distributors: United Energy, formerly Multinet; Envestra, formerly Stratus networks; and TXU Networks, formerly Westar. They have all had name changes and changes in their operation. United Energy distributes to about 600 000 customers in Melbourne's eastern suburbs; Envestra supplies about 410 000 customers in both urban and rural areas, including northern, outer eastern and southern areas of Melbourne and the Mornington Peninsula; and TXU services over 420 000 customers in Melbourne's western suburbs and 19 country centres in western Victoria including Geelong, Ballarat, Bendigo and Warrnambool. TXU also distributes to a significant proportion of Victoria's high-load factor industrial customers.

I refer next to the retail section. Initially three franchised gas retailers were allocated customers on a geographical basis. However, the retailers, including new entrants in the field, are able to compete for customers as the market is progressively opened to competition. Currently, large and medium-sized commercial customers can choose their retailer. The opportunity for domestic customers to be able to choose who will supply them with gas is now coming on stream. Part of the bill will ensure contestability for home retailers.

It is interesting to look at what the new structure has done to the gas industry. When the legislation was being introduced and the Gas and Fuel Corporation was being broken up, the Labor Party told us what a terrible thing privatisation was, and that it would be the end of people being able to get what they want at the right price.

The Regulator-General's report does not show that it has been a bad thing for Victoria. The report identifies the fact that the average gas prices to households fell in real terms by 6.1 per cent between July 1996 and January 2000. As we look back, we see the price of gas was increasing year after year with seemingly no possibility of householders being able to get cheaper gas.

We have seen the result of contestability on electricity prices; the same thing is happening in the gas industry. In nominal terms the average customer bill has been reduced from \$510 to \$501, and gas prices for franchise customers are the same across all businesses. So yes, it has worked, and has been good not only for rural Victoria but for the metropolitan area as well. The average small business has been able to receive a good discount. Gas prices for the average small business have decreased in real terms by about 18.5 per cent. When you are trying to be competitive in the business world, a reduction of 18.5 per cent in your gas bill is extremely good. It makes you competitive and really helps.

Mr Paterson interjected.

Mr KILGOUR — The honourable member for South Barwon supports me when I say that was a great thing we did when in government, and now we are seeing it come to fruition. It has been good to see the average small business gas bill reduced by around \$500 a year. It has been good to see that what was proposed by the previous government has been successful.

In recent days I have received correspondence that has concerned me. I received a letter from Gouge Country Services, an excellent dry-cleaning service in Shepparton, saying:

In discussions with our supplier (Origin Energy) this morning I was disappointed to find out that natural gas in rural Victoria will be more next year as a result of government regulated charges of around \$22 per unit in Shepparton compared to \$3.70 per unit in Melbourne.

I wrote to Origin Energy to find out whether that was correct. He went on to say that:

According to Origin Energy, this meant that most large users in metro Melbourne could look forward to a discount from current rates come next year of around 10 per cent, while users in rural Victoria would be hit with a rise of somewhere between 10 and 15 per cent. This hardly seems to be promoting regional development! Our business would be paying \$27 000 less a year if it was in Melbourne.

I wrote to Origin Energy and received a reply that was less than satisfactory. In part the letter stated:

Both the distribution tariffs and the transmission tariffs vary by region in Victoria, with the transmission tariffs being explicitly distance related. Shepparton for instance ... comes under the Stratus North distribution tariffs and Echuca transmission tariffs. These tariffs differ from the Metropolitan area tariffs. However, the extent of this difference will depend on such factors as the total load and the load profile of the customers.

The letter tells me absolutely nothing. I might see whether the minister in another place is able to get a

better answer from Origin Energy. Although I understand that the gas has to travel some distance, I do not want customers, particularly those in business, to be disadvantaged simply because they live in rural Victoria. I expect that will be sorted out within the industry.

I look forward to more competition in the gas industry. At present medium and large-sized customers are able to choose their gas retailers, and soon small retailers will also have that choice. Customer choice is good, but the industry must act to ensure that customers are adequately informed about the choices they make. The bill also provides for a safety net comprising mandatory standing offers for gas supply and the delivery of community service obligations and so on, which I support.

Under the original timetable in the Gas Industry Act, customers that consume more than 5000 gigajoule of gas per annum would have been introduced to the contestable market in September 2000, but that has now changed. I understand why the change has been made, and I hope we are able to bring those customers through at the earliest possible opportunity.

Safety is another issue. In ensuring the safety of the gas supply it is always important to be prepared, and in that light the role of the Office of Gas Safety is most important. The office was established under the Gas Safety Act in 1997 to monitor and promote gas safety in Victoria. Its objectives as defined in the Gas Safety Act are to ensure the safety of gas supply, including its transmission, distribution and utilisation; to control the safety standard of gas fitting work; and to maintain public and industry awareness of gas safety requirements.

The role of the Office of Gas Safety includes the administration of gas safety standards, the oversight of the safety of the gas industry, public education about gas safety, the investigation of events with implications for gas safety, and the protection of consumers. The act requires each gas distribution business to submit a safety plan setting out its management policies and procedures on gas safety.

I ask the minister to assure me that the safety regime will continue. The Auditor-General's report shows that privatisation of gas has worked as well as it has in electricity. Earlier in the session I was pleased to hear the Treasurer talk about what a wonderful thing it was to see reductions in electricity prices to consumers. Yet he is the same member of Parliament who criticised the former government for privatising the electricity industry.

Gas and electricity prices have been reduced, which is good for Victoria, particularly its industries. It means that Victorian exporters can compete on world markets without worrying about the cost of energy preventing them from producing goods at the right price.

I am pleased that the bill has been introduced. I look forward to consumers continuing to support the industry. That will happen with full contestability, because distributors and retailers will ensure that customers are serviced properly and that they can buy energy at the best possible price.

Mr HOWARD (Ballarat East) — I support the Gas Industry Acts (Amendment) Bill. In doing so let me make it clear why the bill is necessary. As we heard from the honourable members for Benambra and Shepparton, the bill is necessary because under the former Kennett government the gas and electricity industries were sold off. State-owned assets were sold off to private industry, which is why the government is required to put in place regulations to protect consumers.

Opposition members interjecting.

Mr HOWARD — The honourable member for Shepparton said that privatisation was a wonderful process and talked about the great benefits Victoria had gained from it. He went on to refer to Origin Energy and to the new private provider's charging consumers in country Victoria a higher price than consumers in Melbourne. The Labor Party and the community raised exactly the same concerns when they knew the Kennett government was proposing to sell off our gas industry to private providers.

We knew that, and we have seen the results in the contestability process that was held up by the former government as the way to go. Former government members said, 'We will have full contestability and people will be able to choose their providers'. They broke down the gas industry into five retailers so people could choose any Victorian or interstate gas retailer. They said people would have the opportunity to get their gas at the cheapest prices because of the competitiveness of the system.

But who got the benefit of that? The big consumers got it, as we have since seen. A time line was set for customers who used more than 10 000 gigajoules annually to gain bargaining power to challenge the gas companies and get reasonable prices. However, under the former Kennett government, even at the middle stages, a time line for full retail contestability for smaller consumers of gas — —

Mr Spry — You dropped the ball.

Mr HOWARD — It was not this government that dropped the ball. No-one dropped the ball because the ball was never there in the first place to be picked up or dropped. The Bracks government recognises that the former government made an unrealistic assessment.

Mr Spry interjected.

Mr HOWARD — Honourable members opposite are indicating that they recognised it was unrealistic.

There are a lot of issues to be sorted out before middle and domestic consumers can achieve full retail contestability. The bill provides ongoing safeguards for consumers who are not able to access full retail competitiveness. If the state does not provide safety nets for such consumers they are potentially vulnerable. On the other hand, private suppliers have a monopoly at the moment because consumers can purchase only from their local supplier. The bill ensures that retail customers will be appropriately supported.

Part 2 of the bill offers protections. Retailers will have set conditions of supply and will have to recognise ongoing community service and supply obligations.

As previous speakers have indicated, the government is not able to achieve full retail contestability at the rate envisaged by the former Kennett government. As honourable members recognise, the whole process may not be completed by September of next year as originally planned. The third tranche of users of 5000 to 10 000 gigajoules were not able to achieve full contestability by 1 September this year, but the government hopes the remaining issues and challenges, such as appropriate metering, can be resolved by next year so the third tranche can get full contestability.

The government is working with Vencorp on these matters, and the bill provides Vencorp with additional authority to advise and oversee the arrangements. There is no lack of endeavour on the government side of the house to see that full contestability is brought in as soon as possible. There are still, however, many issues to be worked through. In the meantime we need to ensure that full safety nets are in place.

The first half of part 3 relates to the Gas Safety Act and provides further powers to the Office of Gas Safety to promote awareness of energy efficiency and to monitor and audit gas safety issues. Part 3 also ensures that the Office of Gas Safety will have increased powers to enter private and commercial premises, inspect gas installations on site and impose on-the-spot fines so that the gas industry in Victoria is safe. Part 3 not only

provides vital safety measures but also establishes energy efficiency measures across the state. In that respect it is similar to electricity legislation brought in earlier this year by the Bracks government. Both pieces of legislation also recognise that full retail contestability could not be established as soon as the government would have liked. However, through Vencorp and the Office of the Regulator-General the legislation will provide protection for customers who are vulnerable under a privatised system.

As we have heard from previous speakers the bill is supported by honourable members on both sides of the house. It recognises the realities inherited by the Bracks government and demonstrates that the government is serious about supporting smaller consumers, who do not have the buying power to stand up for themselves. I commend the bill to the house.

Mr VOGELS (Warrnambool) — I welcome the opportunity to take part in the debate on the Gas Industry Acts (Amendment) Bill, which provides for the scheduled introduction of full retail contestability in the gas market from 1 September 2001, introduces consumer protection mechanisms and creates reserve pricing powers to protect consumers while competition in gas retailing is developing. Other amendments ensure the safety and efficiency of gas appliances and protect gas pipeline installations from interference and damage.

Having watched the installation of a gas plant at Waarre in my electorate and the construction of a gas pipeline from there to Geelong, I can readily understand the need to ensure the safety of those amenities. That plant, which is owned by Texas Utilities, supplies about 10 per cent of Melbourne's needs and is a backup supply in the event of another gas crisis such as occurred at Longford.

While I commend the introduction of a fully competitive retail market for natural gas in Victoria, it is meaningless for most of rural Victoria. I was hoping for real support for rural Victorians. How can you have contestability in the marketplace when you do not have a service in the first place? The cost of gas is approaching \$70 a bottle, and so far as I know the government has done nothing to address that issue.

I understand that the minister is waiting on a report from Billy Brownless, who is fitting the inquiry into his busy schedule. He is taking time off from *The Footy Show* and a stint on *Sam and the Fat Man*, but I have not yet seen his report! The issue is serious, and in conjunction with the companies the government should come up with a formula that will allow more towns in

rural Victoria to be connected to the state's natural gas network.

I understand that it has always been difficult to connect towns in rural and regional Victoria to the natural gas network due to the substantial unit cost involved in delivering the service. However, if it really believes in decentralisation, the government has an obligation to help provide infrastructure such as roads, power, gas and telecommunications to our rural and regional towns.

The Treasurer yesterday proudly held up an article in the *Age* by Tim Colebatch headed 'State exports soar to record high'. Victoria is now the second-largest exporter of goods in Australia, and I am sure all honourable members will agree that the target of exporting \$12 billion worth of food by 2010 is very achievable. People in rural communities have adapted faster to economic change and global forces than any other members of society — otherwise, they would not be there today. It is about time the government started supporting them.

Only a month ago the house debated the Electricity Industry Bill. At that time rural Victorians were told they would not have the opportunity to take advantage of contestability for their power supply. We now find that natural gas contestability will also not be available in rural Victoria, even though the raw product usually comes out of the ground underneath our feet.

Rural Victorians hear ad nauseam from governments and gas companies about new connections to towns not being viable given the standard gas tariffs. However, the framework allows communities to approach incumbent or alternative gas network businesses and ask them to prepare proposals to supply their area at non-standard tariffs. The communities, in conjunction with the gas businesses, then determine whether the terms and conditions of the proposals are practical, given the cost of the connection fees. Honourable members can guess what the answer always is.

If our forefathers had thought along those lines, people in rural Victoria would still be running kerosene lamps and Ronaldson Tippet motors for their power supplies. However, our forefathers saw the bigger picture.

In my electorate of Warrnambool the gas pipeline runs within a few kilometres of towns that would dearly love to be on the grid. The township of Timboon sits on the reservoir from which gas is extracted and sent to Melbourne so our city cousins can be assured of a regular supply.

Port Fairy is only a few kilometres from Koroit, whose natural gas supplies one of Victoria's most important deregulated industries, and in particular the Murray Goulburn Co-op. Terang and Mortlake are only a short distance from the pipeline that supplies another important dairy cooperative, Bonlac Foods. Equally, Camperdown, in the electorate of Polwarth, is only 11 kilometres from the Bonlac plant at Cobden. All those towns and their residents would benefit hugely from being connected to natural gas. It would also attract other industries to support companies like Clarke's Pies in Mortlake and Bushman's Poly Products at Terang, to name but a few.

I support the idea of contestability in our gas industry, but it could mean so much more if the government looked at the big picture and started providing real contestability for our country electorates, instead of just looking after the big end of town. Rural Victoria is the backbone of the state. I urge the government to put in place a plan to connect rural Victoria to the state's gas network so all Victorians can benefit from contestability.

Mr HARDMAN (Seymour) — That speech could have been read by the opposition 15 months ago!

It is a pleasure to speak on the bill, which amends the Gas Industry Act to facilitate the introduction of competition in the Victorian retail gas market. The bill is about an essential service that was privatised by the previous government. It ensures that the safeguards that were neglected by the previous government will now be put in place. The bill also allows for the scheduled introduction of a fully competitive retail market in the Victorian gas industry. All customers will be able to take up offers from competitors, which at present small business and domestic consumers cannot. That is a great plus.

The bill contains a range of protection measures, including a consumer safety net comprising mandatory standing offers for gas supply and delivery of community service obligations, which was spoken about by the honourable member for Warrnambool. That measure is also dear to my heart, because within the Seymour electorate just to the north of Melbourne there are a number of growth corridors where natural gas is not available. Wandong–Heathcote Junction comes to mind, because a natural gas pipeline runs within a kilometre or perhaps a couple of hundred metres of the township. Those growth areas would benefit greatly from being hooked up to natural gas. However, given that the gas industry is in private hands, I wonder whether the companies will take their community service obligations as seriously as

government-owned companies would. That remains to be seen.

The provision of minimum customer rights is another fantastic aspect of the bill. I hope that the bill will ensure those rights are made available to and are acceptable by everyone concerned. The bill also provides reserve power to enable the government to regulate retail prices, which is also very important.

The bill amends the Building Act of 1993 to authorise the Office of Gas Safety to bring proceedings without having to go through various other acts. That is a good efficiency measure. The Longford gas disaster highlighted the need for the regulation of essential service industries. When private gas companies are motivated solely by achieving profits for predominantly overseas shareholders, the government has a responsibility to ensure the safety of workers and to guarantee the supply of gas to domestic, business and industrial consumers, because essential services are central to our quality of life.

The gas industry is only one area of investment in this state. Gas is an essential service to many industries in the state, and the government must ensure that those industries are able to be competitive with industries in other states and countries. Historically, because of its secure supply of energy and essential services, Australia has been an attractive place to invest. The honourable member for Polwarth should take heed of that fact.

My constituents will be pleased to receive the benefits afforded by the bill, and I commend the changes to the house.

Mr SPRY (Bellarine) — Previous speakers have remarked that the legislation is a further step towards achieving retail contestability. Translated that means that a further element of competition will be introduced into the retail gas market along the lines originally recommended by Professor Fred Hilmer and adopted across all Australian jurisdictions. In the interests of seeing the market open up and provide better services at better prices to Victorian gas consumers generally the opposition will not impede the passage of the legislation.

The critical clause of the bill to constituents in most electorates, and certainly in mine, is proposed section 48MA, which is inserted by clause 12 and which outlines how a gas retailer can operate. Proposed subsection (1)(a) states that a licensee must offer to supply and sell gas:

at tariffs determined by the licensee and published by the licensee in the Government Gazette ...

Proposed subsection (1)(b) states that it must offer to supply and sell gas:

on terms and conditions determined by the licensee and approved by ORG ...

Prices must be scrutinised by the Office of the Regulator-General along the lines of the process recently applied to electricity retailers. The provisions are predicated on consumers having access to a gas supply in the first place, as the honourable member for Warrnambool said a few moments ago. That is particularly relevant to one group of potential customers in my electorate — the people in the North Bellarine townships of Portarlington, Indented Head and St Leonards.

Mr Wells — Where's the police station?

Mr SPRY — That is a good question, although it is another issue altogether. Where is the police station?

The ACTING SPEAKER (Mr Lupton) — Order! The Chair would like to hear the honourable member for Bellarine speak on the bill.

Mr SPRY — Thank you for your guidance, Mr Acting Speaker, I will come back to the bill. I have been pursuing this issue since the former coalition government introduced legislation enabling communities in remote areas to access natural gas, even if at slightly elevated prices compared with the uniform tariff. When I introduced the subject the critical issue was that the price should be significantly lower than the price for bottled gas, although it should be recognised that for some remote townships that would be impossible. I refer in particular to townships that are too far away from a gas main or have too few customers to make the exercise viable without savage cross-subsidisation by other consumers.

The former government did its best to find a solution for North Bellarine that was not purely political. In 1999 North Bellarine got lucky — and I use that term with a good deal of irony! In a blatant grab for votes Labor promised to subsidise the gas main extension to those areas. Although \$1.5 million buys a lot of votes there is evidence to suggest it is nowhere near the correct figure. I have no doubt that in due course such political intervention will come back to haunt the Labor government. It has set a precedent, particularly for the Labor-held seats of Gisborne, Seymour, Narracan, Ballarat East, Ballarat West, Benalla, Ripon and Gippsland West — and I refer to Gippsland West in that context advisedly. In the meantime, despite

confirmed promises the government has thus far failed to deliver.

I will detail some of Labor's promises. I refer to an open letter dated 14 September 1999 to all residents of the Portarlington, Indented Head and St Leonards region from the Labor candidate for Bellarine, Ms Kerri Erler. It states:

I am writing to advise that a Labor government will guarantee the provision of natural gas to Portarlington, St Leonards and Indented Head.

On 16 September 1999 Ms Erler was reported in the local press as saying that gas would be turned on within the first year of a Labor government. That time has come and gone and there is no gas.

On 23 November 1999 I raised the matter on the adjournment debate with the Minister for State and Regional Development and asked him whether that commitment would be met. The minister's response states:

... in the state election campaign the Labor Party committed \$1.5 million from the Regional Infrastructure Development Fund ...

For the first time there is mention of a condition, although the commitment was made in the first place with no strings attached. The minister's response further states:

... towards the cost of extending natural gas to the northern Bellarine Peninsula. That commitment was made, and that commitment will be honoured.

His response further states:

I anticipate that the project will be undertaken, and when an agreement between the government and the gas company is agreed upon the government's \$1.5 million will be forthcoming. The challenge is with the gas company to ensure its commitment is forthcoming.

A commitment from a gas company! The minister had to be joking! I have never heard one. The only commitment was from the Labor government and I intend to ensure that the commitment is honoured.

In all the confusion surrounding the issue the Honourable Elaine Carbin in another place has continued to raise unrealistic expectations about time lines, which is not appreciated by the people of the region. Her participation thus far has been unhelpful and ineffective. I have no doubt that the gas supply will be extended to North Bellarine in due course — and it had better be extended to every town involved including Indented Head, St Leonards and

Portarlington. If the government fails it will have egg all over its face.

Hundreds of other towns in remote areas of Victoria are watching North Bellarine with a great deal of interest. In setting this precedent the government has made a rod for its own back. It had better sort itself out — and in my case, deliver — so that people in North Bellarine can benefit from the legislation.

Competition in the retail gas sector is not worth a mini-gigajoule if there is no gas there in the first place.

Mr LANGDON (Ivanhoe) — I cannot match the eloquence of the country members in the debate on the Gas Industry Acts (Amendment) Bill. The bill obviously strikes a chord with country members, and the honourable members for Ballarat East and Seymour have covered the issues well, as no doubt will subsequent speakers.

The purpose of the bill is to amend the Gas Industry Act, to facilitate the introduction of competition in the Victorian retail gas market, and as outlined in part 3, to make miscellaneous amendments to the Gas Safety Act. The bill contains four parts and I will briefly comment only on the gas safety aspect.

The main elements of the amendments to the Gas Safety Act cover additional functions to be performed by the Office of Gas Safety (OGS) in relation to promoting awareness of energy efficiency and in relation to the monitoring and auditing of safety cases; the establishment of a number of offences to promote better safety outcomes or provide for more effective enforcement of existing provisions; and the powers of the OGS to enter non-residential premises have also been enhanced to facilitate monitoring of compliance with the act and regulations. Obviously they are all important factors.

It was important yesterday for the house to deal with the safety aspects of the marine industry and it is likewise important for it to address the safety aspects of the commodities and equipment consumers use and to ensure proper compliance with appropriate legislation. The bill results from the privatisation agenda of the previous government. It is interesting to note that when honourable members change sides in the house their views also change dramatically. At times I wonder whether opposition members would have been so in favour of privatisation had they known the effects it would have all the way down the line. Although the sell-off of most of the state's assets occurred under the previous Kennett government, opposition members are

now speaking up and trying to attribute blame to the present government.

I am aware I have spoken only briefly on one area of the bill. However, gas safety is important and I am sure that other speakers will cover other aspects. I commend the bill to the house.

Mr MULDER (Polwarth) — In starting my contribution I will not insult government members by mentioning the word 'profit', which seems to stick in the throats of most of them. However, I will mention the word 'debt', which is something that they would all be very aware of, particularly the \$35 billion in debt that brought about the sale of the power and gas industries in Victoria. One does not have to be extremely clever to work out that \$35 billion in debt in 1992 at an interest rate of even 10 per cent took \$3.5 billion out of services to schools, hospitals, community services and government infrastructure.

As much as government members may wish not to hear the word 'profit' mentioned in the house, the word 'debt' is one that all of them are attuned to and they must take a great deal of responsibility for the debt incurred under the former Labor government. They must also understand that if one is in business — remembering that government is business — or is in the position of taking over a business that is in debt, rationalisation is the only option. That is why the Gas Industry Acts (Amendment) Bill is before the house. That is why we are currently working through the issue of contestability with the gas industry under which consumers will be offered the opportunity to seek out a competitive supplier. The resulting process will provide many benefits to consumers throughout rural and regional Victoria and should eventually drive down costs for businesses dependent on gas.

The bill allows gas to be supplied by other than a current servicing company, which in its own right will create a competitive environment. That issue has been addressed in the power industry, is being addressed in the gas industry and will eventually benefit all consumers in rural and regional areas. If Victoria's power industry had remained under the old State Electricity Commission arrangement — that authority had a \$12 billion debt, which was costing somewhere in the order of \$600 million a year in interest to service — it would not have been realistic to expect good governance — however, taxpayers' money was being handled in a manner that would eventually have caused the community to miss out on government-supplied services simply because the government was running inefficient and ineffective organisations, such as the former gas industry.

The bill also provides for a safety net through the Office of the Regulator-General, as does the power industry legislation. It ensures that consumers will not be taken advantage of, that there will be a regulatory process to monitor the growth of the gas networks, and that people in rural and regional Victoria will receive a sound, competitive service that will help to grow business in rural and regional areas.

My electorate was fortunate that tied to the sale of the gas industry implemented by the previous Treasurer, Alan Stockdale, and the previous member for Polwarth, Ian Smith, was an arrangement to connect natural gas to Colac by June 2001. The pipeline into the city is currently being constructed.

On top of all the hard work that was done by the previous government it will provide a great boost to the region. As it runs from Port Campbell to Lara the pipeline will provide opportunities to townships such as Camperdown. Honourable members would be aware that Camperdown lost its major employer, Bonlac Foods; 35 employees lost their positions as a result. Biostarch is currently under contract to Bonlac to buy the site and set up a calf food manufacturing plant in Camperdown. However, the company is also interested in the supply of natural gas to the township. I understand the Corangamite shire has been negotiating with the Department of State and Regional Development as to the possibility of obtaining some form of assistance to construct a pipeline into Camperdown. The cost is estimated to be of the order of \$2 million to \$3 million.

I share some concerns about the number of applications currently before the department for assistance from the Regional Development Infrastructure Fund. The *Report of the Auditor-General on the Finances of the State of Victoria, 1999–2000* refers to the fund. It must be remembered that according to the Labor government that fund was to be the saviour of country and regional Victoria. It was going to deliver infrastructure; it was the be-all and end-all fund that would put Labor in the lap of rural and regional voters. The report states:

The fund has been established to provide \$170 million over the next three financial years (\$50 million in 2000–01, \$50 million in 2001–02 and a further \$70 million in 2002–03) towards infrastructure developments in regional communities —

the Camperdown township falls well and truly within that category —

including:

industry development, including physical works to facilitate economic development;

transport improvements, including roads, rail, ports or airports of strategic regional significance;

tourism-related capital works for new and improved facilities; and

strategic education, and information and communication technologies infrastructure.

... As at June 2000, the Department of State and Regional Development had approved only one project ...

That is one project since coming to government up to June 2000. That was a \$4 million project for upgrades of cattle underpasses. The department had before it approximately 100 applications to 30 June — and at the time the report was published it had a further 50 applications before it. The fund received 150 applications, and only 1 was processed prior to 30 June. That is the fund that I had hoped Camperdown would be able to access! It is interesting to start to work out the figures associated with the fund. There is a veil of secrecy about where the money from the fund is going.

The DEPUTY SPEAKER — Order! I remind the honourable member that the house is debating the Gas Industry Acts (Amendment) Bill. I trust he is making a passing reference to other matters at this stage and will turn to the bill shortly.

Mr MULDER — Yes, I will be making a passing reference. It is in relation to how the town of Camperdown might have access to the fund bill. If I were to take the three funding applications that I am aware of that have been successful — \$8 million for power upgrades, \$4 million for cattle underpasses and \$12 million to the City of Greater Geelong — the average works out to \$8 million per application. If I multiply that by 150, which is the number of applications that have been received, the total comes to \$1.2 billion worth of applications to a \$50 million fund in 12 months! Therefore I am quite right in asking whether this fund will provide the facilities, infrastructure and projects to rural and regional Victoria that the minister touted. Will the fund meet the needs of rural and regional Victoria, or will it require a great deal of topping up from the war chest the government currently holds; and, if so, who will suffer and miss out? The issue is when the notices of the unsuccessful applications for this fund will start to roll out.

Mr Mildenhall — On a point of order, Deputy Speaker, it is clear that the honourable member for Polwarth is defying your gentle suggestion to him that he should speak on a topic at least remotely related to the bill. But he has now continued for some minutes

after your admonition, and I ask that you bring him back more directly to the purpose and scope of the bill.

The DEPUTY SPEAKER — Order! I uphold the point of order. The honourable member has been speaking now for almost 10 minutes. I ask him to address his comments to the gas industry bill.

Mr MULDER — I have finished with that point, but it was relevant to raise that issue because we are fundamentally talking about the delivery of gas services to rural and regional Victoria and how the infrastructure for those gas services is to be funded; and I believed it was more than relevant for me to raise the issue that the fund is or could be oversubscribed to the tune of \$1 billion.

The DEPUTY SPEAKER — Order! I ask the honourable member to move on to the bill.

Mr MULDER — I know the honourable member for Warrnambool touched on the way rural and regional Victorians are serviced by gas supplies. There is a major problem of the costs currently incurred by people who do not have access to natural gas supplies: they are paying horrendous amounts of money to have cylinder gas delivered to their properties. I wonder how people living in the metropolitan area would treat the matter if they were faced with a 63 per cent increase in the cost of heating their homes, bathing children, washing clothes and putting food on the table. That is exactly what is happening in rural and regional Victoria at this point.

The issue has been raised in the past of what the government can do to assist rural and regional Victoria. It appears the only way out of this problem is in some way to lock the price into a CPI arrangement. I know several deputations have met with ministers and shadow ministers and an enormous number of letters have been received by my electorate office. Indeed, people in the major centres who have access to competitive gas supplies will be well serviced by this bill and the work done by the previous government in the privatisation of power and gas to rural and regional Victoria. But I ask and call on the government to take action on the cost of cylinder gas to people in rural and regional Victoria who do not have access to a cost-effective energy supply. I commend the bill to the house.

Mr SEITZ (Keilor) — In expressing my support for the bill, I shall commence by quoting from the minister's second-reading speech in which he says that the bill represents a further step towards privatisation, or completing the process and:

At present, medium and large customers are able to choose their gas retailer. Full retail competition means that domestic and small business customers will also be able to choose between gas retailers.

It is expected that private enterprise competition should bring down prices. However, that is not always the case, hence the necessity for the bill. The second-reading speech also states:

While the introduction of a fully competitive market is consistent with the government's objectives for the gas industry, the government is concerned that the protections afforded by the competitive market may not be adequate, particularly in the initial stages of the market's development.

The principal reason for that is that the small business and domestic consumers will not be adequately aware of how to use and deal with those companies to get the maximum benefit. There is much talk about private enterprise and competition bringing down prices and delivering goods and services more cheaply. We know that at times the goods and services might be cheaper but they are also inferior, particularly services relating to maintenance, repairs and safety. I regard gas safety as very important.

Those who can remember back to the discovery of natural gas will know that in the conversion from the old gas appliances a number of incidents occurred and there was a great rush to have accredited companies conducting the conversions. Quite a large number of mishaps occurred.

The Kennett government did away with the many health and safety inspectors, including mines inspectors, who checked the cylinders and tanks for the removal of gas, especially liquefied petroleum gas, and the plants where the gas is produced and manufactured. However, conversions still take place.

The next major event in the gas industry was that the use of diesel fuel for oil heaters everyone in Melbourne had at one time ceased and businesses were set up to convert oil heaters to use natural gas. Again there were many explosions because the people doing the conversions were not property trained and accredited and did not know how to do the job properly.

Only recently I telephoned one of the major manufacturers of gas appliances, because believe it or not I still have a oil heater installed in the open fireplace in my lounge room. I always intended to revert back to an open fire, but having been told that open wood fires are the biggest contributor to pollution in Melbourne, I no longer intend to do that. I made inquiries about whether the oil heater could be converted to gas and was told there were people who could do that for me.

When I asked whether the converters were accredited and could guarantee the safety of the work the company told me that they were not and that instead of converting the heater to gas I should buy a brand new gas heater. I thank the company that gave me that advice.

My inquiries indicated that the people who convert appliances to gas are still not properly trained and accredited and do not have the proper equipment to put in place the appropriate safeguards. That important issue is dealt with in the bill. In the future no-one will be able to convert an appliance to gas and stick a label on it claiming that it meets all the Australian standards if that person is not accredited and does not have the authority, licence, equipment or know-how to do it properly and ensure people's safety.

There is a need to look not only at what happened at Longford but also at the examples of near misses. The bill will go a long way towards preventing situations such as the Longford disaster happening again.

I am still sceptical about whether price competition and privatisation will reduce gas bills and whether the private providers will meet their community service obligations to the community. When the industry was in government hands it met its community service obligations to charitable organisations, hospitals and schools around Victoria.

Members opposite say that the gas and fuel companies are now running at a loss, yet those losses have not resulted in insolvency and the companies having to be sold. Privatising the industry was merely part of the ideological drive of the Kennett government to sell things off quickly.

Parliament is still debating legislation to implement the privatisation process. When that process was first started it was claimed it would benefit the community, but I will be interested to see whether that happens in the future. I commend the bill to the house.

Mr PATERSON (South Barwon) — It is a pleasure to contribute to the debate on the Gas Industry Acts (Amendment) Bill. The bill in part makes provision for the scheduled introduction of full retail contestability in the gas market on 1 September 2001 and creates a reserve pricing power to protect consumers while competition in gas retailing is developing.

The provisions are based on similar provisions in the Electricity Industry Bill. One responsibility of the Regulator-General in the area of contestability and the protection of consumers is to conduct inquiries and take in submissions. One such inquiry on the gas industry

that is under way concerns the provision of gas to the township of Barwon Heads. I have made a submission to that inquiry in the past, and I have just made another submission in a bid to get the Regulator-General and TXU, the gas company involved, to come to some sort of agreed position on the provision of gas. My interest is with the residents and businesses of Barwon Heads, who want natural gas connected to the township without further delay.

It was disappointing to see that part of the draft decision of the Office of the Regulator-General (ORG) focused on the proposed language of the revision being sought by TXU. The people of Barwon Heads should not be disadvantaged by a disagreement about language, and it would have been helpful if ORG had worked with TXU to ensure that the language of the application was acceptable before knocking it down partly on those grounds. If ORG is aware of the type of application that would achieve the desired outcome being sought by TXU it is imperative that it explain it and show the way forward so that the locals in Barwon Heads may be successful in obtaining a gas supply.

The process of implementing the competition access regime is moving too slowly, particularly with regard to the treatment of over-under expenditure, which is one of the areas that ORG has responsibility for each time it rolls over the five-year access agreements.

The draft decision states:

... the office advised that it would look to provide more certainty regarding the approach it intends to take at the next review in relation to investments in this current regulatory period.

That regulatory period rolls over in 2003. The words 'would look to' in that statement do not convey any sense of urgency, and I hope that the Regulator-General will bring the matter to a conclusion as soon as possible.

When I discuss the issue of providing gas to Barwon Heads — sometimes with detractors of the former government — it is suggested that competition is to blame for the problem. Nothing could be further from the truth. The competition landscape as negotiated between Prime Minister Keating and the states and territories in 1995 is still in its early stages and continues to evolve.

Victoria's share of the funds flowing from the national competition policy agreement is \$2.8 billion between 1997-98 and 2005-06. Victoria was required to implement all of the Council of Australian Government agreements for a national electricity market as well as a

national framework for the free and fair trade in gas. It should be remembered that the states and territories stood to be penalised by the Keating government if they did not sign the agreement.

For the consumer to fully benefit from the national program it is imperative that issues such as the current TXU-Barwon Heads application be dealt with promptly. I hope that the Office of the Regulator-General will be proactive and work positively to achieve the supply of natural gas to Barwon Heads for the benefit of its residents and businesses.

Recently the Minister for Energy and Resources in another place announced that the Office of the Regulator-General was considering a submission from TXU for a tariff surcharge to connect gas to Barwon Heads. A local Labor member was quoted in a newspaper article as saying that the Regulator-General had suggested the idea. It would have been good if that had been true.

The only trouble is that the Office of the Regulator-General has confirmed in writing that TXU cannot levy a surcharge as outlined by the Labor government, leaving the residents of Barwon Heads hoping in vain for help from a government that has been incompetent, if not lazy, in not resolving the issue. TXU has now had to write to the minister pointing out that she had given misleading information to the Parliament. The Office of the Regulator-General has also been moved to correct her. The government has bumbled around on the issue for more than a year. It has sat on its hands, leaving the residents of Barwon Heads stranded.

Following the draft decision made by the Regulator-General I and many others, including members of the Barwon Heads Association and the City of Greater Geelong, made submissions. I call on the government to make a submission, which it did not do in the last submission round that led to the draft decision. Governments are entitled to make submissions to the Office of the Regulator-General. The former government did so, and the current government has on other occasions. If it is not too late the government should support the people and businesses of Barwon Heads by making a submission on the draft decision by the Office of the Regulator-General. It will possibly be a matter of make or break in providing gas to Barwon Heads.

The opposition does not oppose the Gas Industry Acts (Amendment) Bill, which is a further step towards full retail competition in the Victorian gas industry. Where

customers take no action they will continue to be supplied by existing suppliers. Supply arrangements will be subject to regulatory provisions governing price and the terms and conditions of supply. The bill introduces comprehensive consumer safety net provisions, including mandatory standing offers for gas supply, the delivery of community-service obligations and minimum customer rights.

Mr HAMILTON (Minister for Agriculture) — I thank honourable members for their contributions. Many of them made excellent submissions on behalf of the communities they represent. I wish the bill a speedy passage.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

SUPERANNUATION ACTS (BENEFICIARY CHOICE) BILL

Second reading

Debate resumed from 2 November; motion of Ms KOSKY (Minister for Finance).

The DEPUTY SPEAKER — Order! While the bill is being circulated two honourable members wish to make a statement about a personal interest. I call on them to do so now.

Mr KOTSIRAS (Bulleen) — I place on record that I have funds invested in the state government superannuation fund and recently I have received a letter advising me that my access to those funds may be affected by the passage of the legislation.

Mr WILSON (Bennettswood) — I wish to place on record that I have funds invested in a state government superannuation fund and recently I have received correspondence advising me that my access to those funds may be affected by the passage of the legislation.

Ms ASHER (Brighton) — I wish I had money in this fund but I do not. I will touch briefly on the provisions of the Superannuation Acts (Beneficiary Choice) Bill, and make a couple of observations about the fund and perhaps some of the government's financial motivation for bringing forward the bill, work on which was commenced by the previous government.

The purpose of the bill is to set up a new superannuation fund to enable what the Labor government has called the beneficiary choice program within the state superannuation system to proceed. Basically the bill allows members and beneficiaries of the State Superannuation Fund to commute their pensions to a lump sum, which the bill provides will be known as the beneficiary choice program. The main features of the bill are that existing State Superannuation Fund pensioners will be given a one-off opportunity to commute either 50 per cent or 100 per cent of their pensions to a lump sum.

As both the honourable members for Bennettswood and Bulleen have intimated, the boards of the Government Superannuation Office and the Emergency Services Superannuation Scheme, to which the bill applies, have already sent letters to all their members advising them that the bill is before the house. It could be said on the one hand that that is pre-empting Parliament and on the other hand that there was a rational assumption by the funds that their members may read about the program in the newspapers and need reassurance. A number of people who are pensioners under the State Superannuation Fund have approached me directly. They are very concerned about it, not realising perhaps that it is a voluntary, even though that aspect of the letter is bolded.

The letter indicated also that it was for the information of members of the schemes. It recommended that they do nothing at the moment but wait for the passage of the bill — clearly the opposition does not oppose the bill — and stated that the government plans to put in place early in 2001 a system of evaluation of the options.

In addition to the offers to existing pensioners, current members will be given the option of commuting 100 per cent of their pensions to a lump sum when benefits become payable. The current maximum is 50 per cent and clearly that is again a point of alignment. Deferred benefit members will be given the opportunity to convert their entitlements to a lump sum for rollover. As I indicated, pensioners and members of the emergency services fund will be given a one-off opportunity to commute 50 per cent or 100 per cent of their pensions to a lump sum in exactly the same way as the state superannuation pensioners have been offered that choice by the government.

A new scheme will be established under the State Superannuation Act to allow the one-off commutations. A new scheme is required to be established because of the complexities of commonwealth law. I am advised

by the officers who briefed the Liberal Party on the bill that the scheme complies with commonwealth law.

Most importantly for existing pensioners and people who may be beneficiaries in the future, the scheme is voluntary. The government is proposing that independent advice will be funded by government. I understand that at this stage the proposal is for independent financial advisers to be contracted to the Department of Treasury and Finance to provide independent financial advice. However, I seek an assurance from the Minister for Finance, who has the carriage of the bill, that there will be sufficient financial advice for people to evaluate their financial options.

During the briefing given to the opposition parties, which was by no means a 100 per cent certainty to take place, it was indicated that at this stage the government envisaged an hour's free financial advice. Based on my personal contact with a range of pensioners who have just received their letters, I suggest that a little more advice than that may be needed for people to make a lifetime decision — that is, whether they continue to accept their pension or take a commutation to a lump sum. Financial advice is needed not just on the option but also on the management of that sum. All too often honourable members have heard of people who have taken lump sums and have not invested the money as wisely as they might, and have probably witnessed the personal disaster suffered by those people who have been forced to fall back on commonwealth pension schemes.

I seek an assurance from the Minister for Finance that the level of financial advice provided to people will not be on the basis of individuals being bundled and trundled through very quickly because of the cost involved. Given that when the bill is passed the state stands to gain a significant amount of money through a reduction in its unfunded superannuation liability and given the age of many of the people involved, the state is under an obligation to ensure adequate financial advice is given on the matter.

Mr Mildenhall — Hear, hear!

Ms ASHER — I am pleased that the parliamentary secretary and I agree on one thing so far over the past 12 months!

The opposition understands that the government intends to make the one-off offer next year and to give people three months to consider it. The government intends also that the new superannuation scheme to allow the beneficiary choice program to be implemented will be a short-term scheme. The wind-up date for the proposal is

not specified in the bill but it is clearly specified that the minister will have gazettal powers to wind up the scheme. Again I understand that the intention is to wind up the scheme as soon as the last person has made an election of relevance to him or her.

Other features of the bill include a provision that former State Superannuation Fund disability pensioners who have elected to take an ill-health lump sum benefit, which is a lesser benefit than a disability benefit, can possibly be reinstated as disability pensioners. That is a flow-on from two Victorian Civil and Administrative Tribunal decisions on the New Start program, but again the bill provides clearly that any existing benefit will have to be paid back before the larger benefit can be received. In all the circumstances relating to the VCAT decisions, that seems fair.

Most interestingly for those who have seen the range of superannuation options change over the years the bill provides the board of the Emergency Services Superannuation Scheme with the power to establish spouse accounts for members' spouses — and no taxpayers' money will be involved. If I am correct in my recollection of reading the bill the fund will be able to charge administration costs for those accounts. Spouse accounts and the encouragement by the commonwealth for accounts to be established for non-working spouses is a trend that has emerged in recent times. It is a positive step forward, given that no taxpayers' money will be risked or involved in the program.

Finally, the bill rectifies a problem that can apply to members of Parliament of all political persuasions — Liberal, National, Labor, or indeed Independent. In this instance I place on record my thanks to the government for addressing a problem that has affected two former members of this house, Barry Traynor and Florian Andrighetto.

The issue relates to the fact that through the democratic process members of Parliament come and go. Governments in the past have addressed the issue of public servants who have left employment, become members of Parliament and then returned to public sector employment. It had been the intention of previous governments to allow such entry and exit as a consequence of members retiring or losing their seats. The classic Labor Party example is a member of Parliament who was formerly a teacher. If such a person were to lose his or her seat obviously that person could go back to teaching and resume under the superannuation scheme.

In the case of the two gentlemen I named there was an oversight under the emergency services scheme. They were members of the police force and have now gone back to that employment. The bill will ensure there is equal treatment of teachers, for example, and will allow them to return to their former superannuation schemes.

Importantly, other states have similar benefit provisions to those in the bill. It would appear reasonable on those grounds alone that there be support conceptually for the idea of a lump sum payment. However, one of the arguments in favour of the bill is that in terms of unfunded liabilities the state stands to benefit financially by allowing people to take out a lump sum. It is always cheaper for the fund to have a lump sum taken out rather than to have someone take a lifetime pension. The state stands to benefit from the passage of the bill, even though individual cases will vary significantly.

I wish to make a couple of observations on the state superannuation systems and their unfunded liabilities. Clearly reducing the state's unfunded liabilities was one of the priorities of the former Kennett–Stockdale government. I pay tribute to the former honourable member for Brighton and Treasurer, Alan Stockdale, for the work he did in reducing the state's unfunded superannuation liabilities.

I note with some pleasure that the Bracks government made an election promise to reduce the state's unfunded superannuation liabilities and has on paper in its first budget and in actuality as a result of its first budget made some advances on this front after a very aggressive commencement to the program by the previous government.

I note in budget paper no. 2 for 2000–01 that the government made an observation that the most significant liabilities on the state's balance sheet are unfunded superannuation liabilities, which are about double the size of the state's debt at the moment. The government has made a long-term political commitment, which is articulated in this year's budget, that its aim is to achieve 100 per cent funding of its liabilities in this regard by 2035. I hope I am not in Parliament in 2035. I have made a commitment to my electorate council that I will not be here when I am old and wrinkly.

Mr Richardson — Rob Maclellan and I will still be here!

Ms ASHER — I note the honourable member for Forest Hill thinks he and the honourable member for

Pakenham will still be here. I hope to be on some benefit myself, but obviously not this one.

The government has made a commitment in the budget to eliminate the state's outstanding superannuation liabilities by 2035. Interestingly, 99 per cent of the state's superannuation liabilities are in the State Superannuation Fund. According to the budget delivered in May, at that time the government expected that on 30 June 2000 the net unfunded superannuation liability would be \$11.9 billion. However, the figure in the financial report for Victoria 1999–2000 is slightly different from that expected. That report tells us that the unfunded superannuation liabilities of the Victorian public sector increased by \$850 million, or 7.4 per cent, during 1999–2000 — from \$11.5 billion to \$12.3 billion. Although the financial report for 30 June 1999–2000 states that the unfunded superannuation liability is \$12.3 billion — this might be a comment on my social life — the annual report of the Government Superannuation Office gives a slightly different unfunded liability figure of \$12.9 billion at the same date.

I seek some clarification from the minister on why there is a variation between the overall statement and the figure given in the annual report. I am happy for that to be on notice. Although when discussing this honourable members throw around billions of dollars, it would seem to be a discrepancy of significance. Although both reports are meant to be covering the same reporting period I would be pleased if the minister would clarify whether one figure was an estimation and the other was final.

In terms of its unfunded liability the Emergency Services Superannuation Scheme was the beneficiary of particular treatment by the government in the last budget. On budget day the government indicated it would allocate \$250 million out of its 1999–2000 surplus to eliminate the unfunded liability of the scheme. I note that in the financial report for the year the government made two payments to reduce the state's unfunded liability: a one-off contribution to the emergency services scheme of \$271 million, which is slightly larger than what the government said it would allocate from the surplus in the budget, and an additional contribution to the State Superannuation Fund of \$300 million.

I refer to what is funded under this scheme as noted in the 2000 annual report of the Government Superannuation Office, to which I referred earlier. The Liberal Party has learnt from the report, as it learnt from the officers who comprehensively briefed its representatives, for which I thank the Minister for

Finance, that the fund has assets of approximately \$8 billion divided into what the report calls two pools of funding — that is, some \$5.3 billion in long-term investments; and obviously this is where the link to the previous government occurs, an amount of \$2.6 billion which was put into the fund on 30 June 1999 by the previous government for the specific purpose of funding one-off payments for — —

Mr Lenders interjected.

Ms ASHER — It was not, they were one-off payments for one-off commutations. In other words, the previous government made a contribution of \$2.6 billion on 30 June 1999, which I now understand has since grown to \$2.7 billion, and which will enable the government to fund the bill. That was clearly an intention of the previous government. The Leader of the National Party in the Legislative Council has referred to the bill as his bill given that he commenced much of the preparatory work on it when in government.

The fund clearly has some moneys set aside to fund the program in question, which have grown under investment. However, clearly any estimates of how many people will take up this one-off offer are simply that — they are estimates — and I will be interested to see how many people take it up.

I again refer to the annual report of the Government Superannuation Office, which contains information that will be instructive to all members of Parliament on the office's relationship to the government. In the report from Bernie Fraser, president, and Denzil Griffiths — —

Mr Lenders interjected.

Ms ASHER — I will not make judgmental comments about either gentleman.

In a report signed off by them dated 4 September 2000 — I reiterate: 4 September 2000 — the beneficiary choice program is mentioned by name. I quote from the annual report by Bernie Fraser and Denzil Griffiths:

As noted earlier, some \$2.6 billion was contributed to the fund by the former state government to finance a proposed program to enable fund members to voluntarily commute their pensions to a one-off lump sum payment. The future of the proposed program is currently under review by the government, and a decision is expected in the near future.

It is interesting to see that the Government Superannuation Board was well out of the loop regarding the government's plans to press forward with the beneficiary choice program. It is a cause for concern

to note that on 4 September both the president and the chief executive officer of the Government Superannuation Office were, they said, in the dark on whether the government intended to proceed with the beneficiary choice program.

The report also indicates that if the program proceeds, and clearly it will after the passage of the bill through both houses, throughout 2000–01 the GSO will be faced with a major administrative challenge in preparing for and delivering it. I seek assurances from the Minister for Post Compulsory Education, Training and Employment, as I sought assurances on financial counselling for individuals, that the office will receive the support needed to enable such a large program to be undertaken within the government's targeted time frame of three months.

As I have indicated, the opposition does not oppose the bill. The previous government provided funding of the order of \$2.6 billion for the commencement of the program, which has now grown to \$2.7 billion. I look forward to hearing how many people take up the commutation option under the program commenced by the previous government.

Mr STEGGALL (Swan Hill) — It is not often that I get to speak on superannuation bills. I admit that having been a member of this place for some little time, though not as long as some of my colleagues, I find it strange that the bill has been introduced by a Labor Party government.

In the 1980s Labor members would have turned in their graves if legislation like this had given people the choice of taking lump sums. I remember the early debates in the early Cain government years, when the first changes were made to those unfunded superannuation schemes. The old ALP members could not come to grips with the then Treasurer, Rob Jolly's idea of introducing a whiff of a lump sum or a capital gain.

I wonder whether the Minister for Agriculture, a member of the Pledge group, truly believes in the legislation. Being a true Labor man from a past era, I would have thought he — —

An honourable member interjected.

Mr STEGGALL — Oh no! The Country Party would have had no trouble with the legislation. Its members were always great capital people. It was the true Labor Party people who were always keen for pensions and guaranteed incomes for life, not a bill that gives people the choice to gain some capital.

Mr Mildenhall interjected.

Mr STEGGALL — The honourable member for Footscray is a bit confused. People talk about the confusion of politics in Australia today. The bill demonstrates how the various political streams have come together. The ALP beliefs of eras gone by are exactly that, but every now and again it returns to its grass roots. I have always believed that a true Labor Party operates best in opposition. Unfortunately, we have to put up with a Labor Party in government for some time. In government it looks like a conservative or Liberal administration.

In 1992 I noticed the ease with which some of the older members of the ALP went straight back into opposition. It took the National Party a year — we are just starting to come to grips with opposition now. I assure all honourable members opposite, particularly the new ones who have never experienced it, that when your turn comes for opposition it will fit you like a glove. The ALP is a party designed for opposition, and it does it well.

From this side of the house superannuation bills never look like they do when you are in government. The opposition is in a fascinating situation because, as the Deputy Leader of the Opposition has mentioned, parts of the legislation commenced when the coalition was in government. It will be interesting to see the bill passed by both houses following debate.

The primary purpose of the legislation is to implement a beneficiary choice program — something that I am sure causes the honourable member for Morwell and his Labor cohorts to tremble just a little.

The program will give members and pensioner beneficiaries of the State Superannuation Fund additional choice in the manner in which their entitlements are paid. It will give them the same options that are currently available to members of public sector schemes in most other Australian states.

Those options should have been offered in the first place, but unfortunately were not. Had governments of all persuasions faithfully met the true cost of superannuation each year — that is, had we had a fully funded scheme — it would have been a lot easier. The previous government made an effort and turned the tide, and I am pleased to see the present government continuing to work steadily towards having a fully funded superannuation scheme by about 2035. That is a terribly long time away, but over the past 30 years Victorian governments have not looked at such schemes seriously.

The program will be entirely voluntary, and independent financial advice will be available to members and beneficiaries to help them consider the offer. No pressure will be put on them. All the good Labor people who are members of the scheme will be able to stay true to their beliefs and continue with their pension fund arrangements.

The beneficiary choice program will give existing pensioner members of the State Superannuation Fund a one-off opportunity to commute 50 per cent or 100 per cent of their pensions to lump sums. They now have the choice of taking a pension and 50 per cent cash sum on retirement, but the proposed legislation offers them a better choice. I hope they will choose well.

Members of the State Superannuation Fund will have the option of commuting 100 per cent of their pension entitlements to a lump sum as those benefits become payable, rather than the existing maximum of 60 per cent. That represents an expanded choice. Let's not forget that we are legislating about their money. I am happy to support the legislation.

Mr Hamilton — They will be better off.

Mr STEGGALL — By allowing legislation of this sort the Minister for Agriculture shows he has strayed from his true socialist origins. The bill will encourage people like him to get into capital raising by taking lump sums. He is letting the side down.

An opposition member interjected.

Mr STEGGALL — You are right, it is an oxymoron.

Government members interjecting.

Mr STEGGALL — I had planned to speak on the bill only a short time.

The beneficiary choice program will give existing and future deferred benefits members — that is, those who have left the service prior to the age of 55 — the opportunity to convert their deferred benefit entitlements to lump sums, to be rolled over into a complying fund of their choice. That is a breakthrough because under the current provisions their entitlements must languish in the State Superannuation Fund. That is now seen by the government to be unfair. The National Party agrees with that — as does the honourable member for Morwell.

Former State Superannuation Fund members whose pensions are administered by the Emergency Services Superannuation Board will have a one-off opportunity to commute 50 per cent or 100 per cent of their

pensions to lump sums. There are only 2000 or so of them, but they must be given the same choice.

The one-off offer will be made to approximately 54 000 pensioners and 50 000 deferred beneficiaries. The ongoing changes to fund rules will apply to the approximately 73 000 existing members — so the fund is a big one. As I said, the beneficiary choice program will give members and beneficiaries a new level of choice and place them on a par with their interstate and commonwealth colleagues. The program will also reduce the unfunded liabilities of the State Superannuation Fund. I guess that has appeal to the modern managers of the Australian Labor Party, although it would not have been of great concern to them in a previous life.

The bill is a win-win for the fund and for the participants in it — even though the factors used to calculate the lump sums on offer are exactly the same as those used to calculate the sums originally offered. There is no enhancement or reduction of benefits. Rather, increasing life expectancy has biased the formula in favour of pensions in terms of total cost — so why not change the formula? Remember, it is a closed fund.

The implementation of the program will require the establishment of a new scheme, as has been mentioned. That is because the choice to commute must be taken within three months in order to comply with commonwealth rules. In addition, the beneficiary choice program allows a former State Superannuation Fund disability pensioner who elects to take ill-health, lump sum benefits to be reinstated as a disability pensioner. It is a long and involved story. However, put simply it was felt that some members were unfairly enticed to take ill-health, lump sum benefits and that they should now be given the opportunity to review their earlier decision without penalty — provided they can demonstrate to the board that the circumstances of their earlier decisions warrant such an opportunity.

The bill includes a couple of miscellaneous amendments. It also allows the Emergency Services Superannuation Board to establish spouse accounts for its members. Spouse accounts are attractive to members because tax rebates are available for superannuation contributions made on behalf of low-income or nonworking spouses. The Emergency Services Superannuation Scheme is the only superannuation scheme in the state with an accumulation scheme component that is not able to offer spouse accounts.

The bill amends the Constitution Act to correct an anomaly that has recently come to light relating to the

superannuation entitlements of members of the police force and other public servants who become members of Parliament and then return to their former employment after leaving Parliament.

That issue was mentioned by the Deputy Leader of the Opposition. The National Party also appreciates the bill's picking up of the problem that existed with former honourable members Barry Traynor and Florian Andrighetto.

It is a good bill — not one that I would have thought the old-time Labor people would have enjoyed — that provides a win-win situation on economic grounds. Not all the old-time Labor people were interested in economic grounds. Many placed far more value on the social impact of legislation such as this, and wanted to ensure that the public policy was in place to protect the people for the term of their natural lives. Would that be the right term?

Mr Hamilton — That is right.

Mr STEGGALL — However, the beneficiary choice to take the lump sum opens up a degree of risk. It is interesting that some of the older members of the Labor Party are prepared to allow that risk, given that the capital can be taken out and possibly even wasted.

However, we in Australia live in a wonderful country because those who take the benefit and make a mess of their new-found capital are picked up again by commonwealth funds. That is a little cost-shifting operation which I know the honourable member for Morwell is very pleased about. The fact that people who access their funds and lose it all have yet another safety net under them is probably the only reason the honourable member supported the bill. The older members of the Labor Party no doubt used that fact in their arguments to ensure that everyone is protected under the legislation.

The National Party supports the bill. It provides fund members and pensioners with a greater choice and is consistent with options commonly available across other jurisdictions. It also ensures that individual advice is available to all involved, which is vital. All jokes aside, many members of today's society need individual advice about the choices they make.

One of the government's main roles — I have not been able to convince a great number of people of this yet, but I am working on it — is to ensure that individual advice is available in the community where it is needed. The biggest single problem that people in country areas have is the lack of individual advice available to them when they make major decisions on their way through

life. The bill picks that need up, and one can only hope that in the future individual advice will be available about many other issues for people who need it.

The scheme also provides for a reduction in the ultimate cost to the fund, as any commutation will be based upon the original conversion formula, which has progressively been kept consistent with increasing life expectancy.

The National Party welcomes the bill and wishes it a speedy passage. I look forward to the day when the Minister for Agriculture stands up in Morwell to explain to his comrades why he has supported a bill that will turn them into little capitalists and allow them to make choices that will put their future financial operations at risk. The National Party supports the bill.

Mr LENDERS (Dandenong North) — It gives me great delight to join in the debate on the Superannuation Acts (Beneficiary Choice) Bill. It also pleases me to see how relaxed and calm the chamber is this afternoon after this morning's excitement. It is a delight to be in a packed chamber, speaking on an important bill. It is great to follow the deputy leaders of the Liberal Party and the country party — I mean, the National Party! — to talk about the bill.

Superannuation is very near and dear to my heart as a concept because it was one of the great social achievements of the Hawke-Keating Labor government in the 1980s and it has focused debate on how we as a society deal with providing a decent retirement for an ageing community.

While the scheme deals with beneficiary choice under a closed Victorian scheme, I cannot let what the honourable member for Swan Hill said about the history of superannuation and the motivation driving it pass it without comment.

The Hawke-Keating government's decision to make superannuation accessible to all has contributed more than anything else to Australia's having some decent onshore funds for its own investment. It has also made it possible for older members of our society to look forward to a decent retirement. They are very important issues.

The bill, as previous speakers have said, makes four main provisions: it provides state superannuation fund pensioners with a one-off opportunity to commute 50 or 100 per cent of their pensions to lump sums; it provides members of the fund who have certain pension entitlements with the option of commuting up to 100 per cent of those entitlements to lump sums as the benefits become payable; it provides state

superannuation fund deferred benefit members with the opportunity to convert their deferred pension benefit entitlements to lump sums to be rolled over into a fund of their choice; and it provides members whose pensions are administered by the board with a wonderful opportunity to commute their pensions to lump sums. The bill introduces choice, and that provision enjoys bipartisan support in this chamber.

The issues of choice have been adequately covered by the Minister for Finance in her second-reading speech and by previous speakers. However, I cannot let some of the things that underpin the bill go without comment. Firstly, the Bracks Labor government is fiscally responsible, as was the Hawke–Keating federal Labor government before it, in ensuring that superannuation is available and funded.

The bill deals with a deferred benefit scheme that is being wound down. However, the first government in this country to introduce accumulation schemes, which ultimately became the desirable ones for taxpayers, was the Hawke–Keating government, which established them with the compulsory superannuation levy, which ensured that superannuation is available to everyone.

The question of how high that compulsory superannuation levy should go has been an issue of political contention on both sides of the house over time. Once the Hawke–Keating legislation reaches its final phase, which will happen shortly, the levy will have reached 9 per cent of income, which is still somewhat short of the desired amount. Historically, it is a pity that due to a change of federal government the levy never reached the intended figure of 13 per cent. However, I digress from the state bill.

The relevance of the bill to fiscally responsible government is that the Bracks government has a commitment to wind up all unfunded liabilities by the year 2035. Although 2035 seems a long way away, as the honourable member for Brighton said, the government has shortened the time line it inherited from its predecessors. The time line for winding up unfunded liabilities was shortened in the government's fiscally responsible budget. In deferred benefit schemes the unfunded liabilities are progressively being wound back at a rate faster than that predicted by the previous government, and that is something of which the current government is very proud.

I have no hesitation in pulling the light well and truly out from under the bushel, because the government often gets accused of not having its eye on the ball when it comes to financial management issues. The bill provides for a transition to beneficiary choice in a

closed scheme. Most of the other provisions in the bill have already been covered.

I also put on the record my appreciation of the gracious comments made by the honourable members for Brighton and Swan Hill about the government's willingness to deal with the two former members of Parliament who were covered by one of those schemes — the police scheme. I also put on record my appreciation of the good work of the honourable member for Mildura, who has also been working very hard on the issue. It is an impressive result that bipartisanship on the bill has been reached.

In essence the bill provides for fiscal prudence by removing unfunded liabilities from the state scheme. Unlike the honourable member for Swan Hill, my Labor Party colleagues are proud that this legislation has been introduced. We do not hide our light under a bushel. The bill is good for all the public policy reasons outlined by the Minister for Finance.

Government members have seen the light on the hill, and I can assure the honourable member for Swan Hill that we like it. We enjoy being able to implement good legislation and provide the state with good government. We have no desire to go back to the other side of the house, and with good legislation like this the Labor Party will continue to provide the people of Victoria with good choice, both in government as well as in superannuation schemes, in the hope that Victorians return it to office at the next election. I wish the bill a speedy passage.

Mr SMITH (Glen Waverley) — I am delighted to follow such a group of erudite speakers. I was fascinated by the philosophy change in the Labor Party outlined by the honourable member for Swan Hill. The government is to be commended because, as the honourable member for Dandenong North said, it has swung around. The same thing happened with the Keating government. It all seems to be part and parcel of the information technology age! When I was a teacher I remember reading the wonderful essays of Addison and Steele on superannuated man, which were written almost 200 years ago. They had the foresight to see what would happen to superannuation in the future.

I have links with a family who are closely tied up with superannuation funds. I am concerned to see that the funds are closely supervised, because they are investing other people's money, which is different from investing their own. I am advised that the funds, which turn over and invest billions of dollars, sometimes make mistakes, but provided they are only small ones it all works out in the end. All funds, whether they be state,

commonwealth or any other superannuation funds, should be closely supervised. I do not know how the supervision is undertaken, but it is something the bean counters and the bureaucrats ought to look at because so many people's lives revolve around their superannuation.

The former finance minister, Ian Smith, who was a shrewd politician and financial man, said, 'Get your money out and turn it over'. Unfortunately some people are at an age when they are too old and do not have the expertise to do that. Instead they are trying to do the same things as the people managing the superannuation funds.

I ask the minister to pass on to the fund administrators my concerns about superannuation funds being closely supervised. Professional people who know what they are doing are employed to invest money, so the administrators should not be looking over their shoulders all the time. However, the way investments are made should be scrutinised. In theory, as the honourable member for Dandenong North said, the legislation is wonderful, but I am worried about day-to-day supervision.

Honourable members would recall the case involving Barings Bank in Singapore. The Royal Family had money with the bank, which very nearly went broke because of poor investments.

Mr Lenders — It was Nick Leeson.

Mr SMITH — The people working in such places need to be audited to ensure they are doing their jobs properly. To date, Victorians have had no problems. Margaret Jackson is the chairman of the board that is successfully running and turning over the funds of the Transport Accident Commission, but unless the people who manage the funds know they are being supervised, there is always a niggling doubt about their administration.

The government is to be commended on its handling of the superannuation cases of the former member for Ballarat East, Barry Traynor, and the former member for Narracan, Florian Andrighetto. It is important that people working in the police force and similar professions have their superannuation needs looked after. Members of Parliament give their all in the house, and when they leave Parliament and manage to get back into their professions their superannuation should be looked after. It is a great relief for all members of Parliament to know that there is something at the end of their parliamentary careers. But unless superannuation

funds are constantly supervised, honourable members are living in a fool's paradise.

I hope the minister understands the need to constantly supervise superannuation funds so they are safe and people's savings are safe as well.

Mr STENSHOLT (Burwood) — I support the Superannuation Acts (Beneficiary Choice) Bill, which will provide greater choice along with prudent fiduciary management. It is an example of the financial management Victoria now has under an excellent Treasurer, an excellent Minister for Finance and an excellent parliamentary secretary.

The government is looking to wind back the state's superannuation liabilities faster than the previous government. The honourable member for Swan Hill talked absolute twaddle about being in opposition. He is comfortable with it after one year, but he does not know what opposition is! The National Party does not know whether it is in opposition or on the cross-benches, although now it has walked away from opposition. Clearly the National Party is not fit for government. That is why the Labor Party is in government and looking after 180 000 members of superannuation funds who will now have an opportunity for greater choice as a result of the government's proper financial management.

I do not want to go into the various parts of the proposed legislation, which have already been discussed by earlier speakers; however, I will make a couple of points.

The honourable member for Brighton mentioned the importance of independent financial advice. That was spelt out by the Minister for Finance when she introduced the bill. The government has not forgotten the importance of social values and the need to look after Victorians — and that is why the Labor Party is in office. The proposed legislation involves personal choices. Many people will welcome guidance on the choices they will face next February in deciding whether they should commute all or part of their pensions. Wise advice will be needed.

As the minister pointed out, there is also a need for independent advice. As a former senior public sector manager, I know of instances where advice was offered, sometimes voluntarily, which for the people involved was not a good basis for making decisions about superannuation choices. I heard examples of advisers providing free seminars at which they offered bottom-of-the-harbour-type schemes that left people deceived and unwisely informed. It is important that the

many people who are dependent on their superannuation savings be given sound advice.

I commend the bill to the house as another example of the government's strong and solid financial management of the state.

Mr LUPTON (Knox) — It is with a great deal of pleasure that I support the Superannuation Acts (Beneficiary Choice) Bill. I note the comments made by some of the earlier speakers about the change in the government's philosophy.

As an administrator of a large public sector superannuation fund in the real world before I was elected to Parliament, I was in a position to see — —

Mr Hamilton interjected.

Mr LUPTON — That is what we have to work out, don't we? You have to remember that the union movement was totally opposed to superannuation schemes. Thank God that has changed!

I can recall being involved in a superannuation scheme in the 1950s that along with others I endeavoured to get blue-collar workers, for want of a better expression, to join. The hue and cry from the union movement was an absolute disgrace. In the mid-1970s members of that group of people joined a superannuation fund. However, it was interesting that the Electrical Trades Union was still prepared to supply its members with a form that enabled them to seek exemption on various grounds if they did not want to join. Mr Keating became involved and through employer contributions made it compulsory for everybody to join a superannuation fund.

Unfortunately since then superannuation has become the whipping boy of every government in the country. If ever they want to raise extra money they stick it on superannuation, and you and I, Mr Acting Speaker, and the people out there in the big wide world suffer the consequences.

The bill is good because it brings the State Superannuation Fund into the 21st century. It gives the beneficiaries options that have been open to other public and private sector superannuation funds for many years. One of the earlier speakers expressed concern about trustees making mistakes. My biggest concern is that market trends probably have a greater impact than trustees making mistakes. History has shown that because they have obligations trustees tend to be more conservative than outsiders who are not responsible for their actions.

I have a bigger concern about market forces. I recall the stock market crash, when the organisation I was with had just introduced a new fund. The fund increased dramatically the benefits available to people who wanted to retire or take a resignation benefit. It was nothing for a person's resignation benefit to increase from \$18 000 on 31 August to \$60 000 on 1 September. That was the sort of increment that illustrates the vast change in benefits.

National organisations such as AMP and National Mutual got onto these people and said, 'Give us your money and we'll invest it at a high rate of return'. It was absolutely criminal.

In those days interest rates were running at between 27 and 30 per cent. The organisation I was involved with guaranteed a 21 per cent return on a person's FAS if he or she contributed 6 per cent. If you could tell the administrators of the fund what your salary and rate of contributions would be in 20 or 30 years time, we could tell you within the dollar what your benefit would be.

Organisations such as AMP and National Mutual got people not to contribute their 3 per cent or 6 per cent to the particular fund but to put their money into their schemes and take the other option, which was a zero contribution that gave 9 per cent on a person's FAS, which was still a good return. However, people who took that option went out and whacked their money into firms, and when the stock market — —

Mr Hamilton — What does 'FAS' mean?

Mr LUPTON — FAS means 'final average salary', and in that organisation it was based on the last two years. When the stock market crashed the interest rate went from 28 per cent to zero. The commonwealth superannuation scheme went to a negative return.

Although concerns have been expressed about the trustees, I believe they do an excellent job in these superannuation schemes because of the trustee obligations.

When the former Cain–Kirner government downsized public sector bodies such as the former SEC, Gas and Fuel and Melbourne and Metropolitan Board of Works, I was involved in assisting the people there to ensure they invested their money in the best way possible. I note the bill provides for financial counselling. I did the same sort of thing back in 1989 until 1991. We provided financial counselling to people and gave them the option to go to more than two people, but not more than three, before they made a choice.

My concern is that although the government is saying it will let the contract for financial counselling go to somebody, the beneficiaries may go to only one person. I do not believe that is necessarily always correct. There should be an option for them to see a couple of advisers. Of course, it all comes down to dollars because the State Superannuation Fund will have to fund it in the long term. That is my concern because I do not believe one financial adviser is appropriate in this situation.

A concern has been expressed to me regarding the belief that when a beneficiary opts for a lump sum instead of a pension the obligation is transferred to the commonwealth government. With all due respect, that is the greatest load of rubbish I have ever heard. If one considers the situation in the long term, one realises the majority of beneficiaries are elderly — I am not being rude at all because I am entering that period of life. The beneficiaries are 65 years and over, and to say they are going to waste their money and be put into the hands of the commonwealth government is wrong. My mother is 86 years of age. If she wants to get a lump sum and buy a television set, that is her option and her right. I do not believe it is correct to throw it back on the commonwealth government.

Let us look at the real situation. For the people we are talking about to get the pension in the first place, it means that their spouses — we do not say ‘husbands’ any more — have contributed to the superannuation fund over a number of years since starting work. Now the beneficiaries are in the situation where they may choose to convert their pension to a lump sum. There is no way the obligation they put on the commonwealth government should be seen as detrimental. The fact is that from day one when they went onto the pension after turning 65, their chances of getting a government pension were probably minimal because they had already contributed money out of their own pocket into a superannuation fund, and that fund was paying them a pension. So it is totally incorrect to say they will be a burden on the federal government. Although they may be a burden, the federal government has got away with it probably for the past 20, 30 or 40 years without even having to contribute anything to those people.

But the really important parts of this bill are the provisions covering people who have taken disability retirement and then, because of the re-evaluation, are re-examined; they must go through a certain process, and if a doctor determines they are fit for work, they have to retrain and so on. I believe that would apply to most people who have suffered some mental condition or breakdown. I may be incorrect, but cancer and heart

attacks are regarded as pretty permanent conditions and do not tend to get better.

Under the present scheme, if it is considered that the health of a person who has had a mental breakdown has improved, he or she has to go through a medical examination. If the doctor determines the person is fit enough to return to work he or she has to be retrained. To be honest, I was not aware of the implications of this: that people in this position had to undergo a medical examination, retraining in a training scheme and then find a job after 12 months. I do not think I have heard of anything more cruel or draconian in all my life. The strain on people who are disability retired is bad enough. But they are then re-examined before they can recommence work, and when they come back they are told, ‘We believe you can come back to work. You’re going to be retrained, but because of that, if you want to come under this situation all the time we will give you the option to take an ill-health benefit rather than your disability benefit’.

I point out to the house that the ill-health benefit can be many tens of thousands of dollars different from the disability benefit. It is cruel and unnecessary to put people with a mental condition, for example, in the situation of having to seek an ill-health benefit to avoid having to go through the business of trying to find a job and undergoing the continual process of re-examination.

Under this bill those sorts of people will be able to retire with dignity, take the disability retirement and repay the ill-health benefit so that that benefit can be readjusted. I am quite certain that if the previous minister had been aware of the situation the matter would have been addressed then. I have a real concern about the trustees of the fund who allowed the situation to continue.

I believe the bill is a positive step. It brings these arrangements into the 21st century. I wish the bill a speedy passage and hope the people who reap the benefit from it appreciate the fact that superannuation is a great benefit to them.

Ms KOSKY (Minister for Finance) — In summing up the second-reading debate, I thank the honourable members for Brighton, Dandenong North, Swan Hill, Burwood and Knox for their generous contributions to the debate. It has been a very thorough debate and there has been much support for the initiatives detailed in the bill.

The government regards the bill as an important part of the superannuation policy framework. The beneficiary

choice program will provide 180 000 members and beneficiaries of the State Superannuation Fund with additional choice regarding the manner in which their entitlements are paid. The program will provide those individuals with the same options that are currently available to members of public sector schemes in most Australian states. The program is entirely voluntary and provides affected members and beneficiaries with more latitude to manage their own financial affairs.

Independent financial advice will be available to members and beneficiaries to assist them to consider the offer. The matter was raised by the honourable member for Brighton, who expressed concern about whether one hour would be adequate. I can assure her that the independent legal advice will be determined on a case-by-case basis, so where more time is required it will be provided.

The honourable member for Brighton also referred to the reporting of the unfunded liability for the State Superannuation Scheme. I will provide her with a written response, but I point out at this stage that the \$12.3 billion she mentioned, which is contained in the state financial statement of 30 June 2000, covers the state's unfunded liability. The GSO annual report covers the unfunded liability of the State Superannuation Fund, which is \$12.9 billion. That includes \$600 million that is a commonwealth liability. I shall provide that information in writing to the honourable member as well.

I wish to thank a number of people for the work they have done on the bill. Firstly, I acknowledge the Honourable Roger Hallam in another place for the initial work done on the bill. There is bipartisan support for the bill, which clearly shows it is a very good measure that enjoys the support of both sides of the house.

I also thank particularly Dean Yates and his team from the Department of Treasury and Finance for the very detailed work they have done on the bill and their preparedness to work with all groups to ensure the scheme will work successfully.

If it does not work successfully all the talk in this house will have been wasted. It is important to provide detailed information to the beneficiaries, which involves a number of people providing that information to a number of different groups to get their support.

I would also like to thank the superannuation committee at the Trades Hall Council. The committee was given a few briefings so it could understand and support the bill. I also thank the Government

Superannuation Office for its cooperation on the bill. I wish the bill a speedy passage through the upper house.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

VICTORIAN QUALIFICATIONS AUTHORITY BILL and VICTORIAN CURRICULUM AND ASSESSMENT AUTHORITY BILL

Second reading

Debate resumed from 2 November; motions of Ms KOSKY (Minister for Post Compulsory Education, Training and Employment and Ms DELAHUNTY (Minister for Education).

Mr BAILLIEU (Hawthorn) — I respond on behalf of the opposition to the Victorian Qualifications Authority Bill and the Victorian Curriculum and Assessment Authority Bill, which are being debated conjointly. It must be recognised that this debate follows what has been a major ministerial dispute within the education department. The demarcation dispute has involved the two responsible ministers: one with a union background, the other with a media background. Honourable members may presume the minister with the union background, the demarcation specialist, has prevailed and there is a new leader of the education pact. It is significant that the senior education minister is at the table while the junior minister is not.

The Victorian Qualifications Authority Bill establishes the Victorian Qualifications Authority (VQA) and the Victorian Learning and Employment Skills Commission (VLESC) in place of the State Training Board. The authority established under the Victorian Curriculum and Assessment Authority Bill in part replaces the Board of Studies. That is the fundamental position with respect to the bills.

The two bills have been introduced and, as I said, are being debated conjointly. The decision for a concurrent debate was made only this morning. Two second-reading speeches were made, one by each minister, when the bills were introduced a couple of weeks ago.

Given the problems the Minister for Education has had both privately and publicly, particularly in the past few

days, it is not surprising that the bills are now being debated conjointly, which will involve only one ministerial response being given.

An Honourable Member — Who will make that?

Mr BAILLIEU — It will be interesting to see who makes the response, but I suspect we already know — it will reflect a departmental victory by the Minister for Post Compulsory Education, Training and Employment over the Minister for Education. Undoubtedly the Minister for Post Compulsory Education, Training and Employment is enjoying her victory, because she is now at the table.

It is a shame we are having a conjoint debate because it limits the focus —

An honourable member interjected.

Mr BAILLIEU — I am being very gracious to the Minister for Post Compulsory Education, Training and Employment, and she is enjoying the experience!

The SPEAKER — Order! The honourable member for Hawthorn should ignore interjections.

Mr BAILLIEU — It is a shame the bills are being debated conjointly, because it reduces the opportunity to focus on the VCE (Victorian certificate of education) component of the bills, which is substantial particularly in the Victorian Curriculum and Assessment Authority Bill. It will also limit the opportunity for debate overall and reduces the opportunity to focus on the impact of the bills on school-age children. Instead, the debate may tend to focus on the removal of much of the responsibility for the VCE from the Minister for Education.

The honourable member for Warrandyte, the shadow Minister for Education, will be making his contribution to the debate on the bills by focusing particularly on the schools, the VCE and the vocational education and training (VET) components covered by both bills.

The opposition will not oppose either bill, but it has significant concerns about the impact they may have. The opposition is concerned that little will be gained from the bills, and in fact some of the problems that arise from time to time within the education system may be aggravated. Given the changing nature of society those problems may be emerging at the moment.

The opposition would like to think the fundamental objectives of the bills are about students. I am not

convinced that that is the case, which is a great shame because this side of the house will support anything that is good for students. They must be given priority, and I wish to make it clear that the opposition believes education is the no. 1 priority for the future.

An honourable member interjected.

Mr BAILLIEU — On the contrary, the opposition's record on education is enormous — the former coalition government built a new education system from which the government is now benefiting.

The task was made difficult in the darkest days of the early 90s with the massive debts left by the former government. From the opposition's point of view the important notion of pathways is very much part of the lexicon of education these days. It supports and has always supported the greatest possible flexibility in the education system. In many ways the bills do not go far enough.

As a fundamental philosophy this side of the house believes that education is about putting students together with the right people to develop their education in the most efficient manner possible and to invigorate and inspire them. The opposition would like to think those are the objectives of the collective bills.

One objective of the Victorian Qualifications Authority Bill is obviously to establish the Victorian Qualifications Authority and in so doing remove several functions from existing bodies. The bill seeks to establish the Victorian Learning and Employment Skills Commission. The question arises as to whether there will be any improvement of opportunities for students and any clear understanding of education. The second-reading speech of the Minister for Post Compulsory Education, Training and Employment refers to a motivating force for the establishment of the qualifications authority and VLESC. In the second paragraph at page 2 the speech states:

...that individuals and industry have difficulty understanding the qualifications and the relationships between different qualifications...

That may well be the case. Many students approach education as a pragmatic exercise. They want an outcome and they want it as quickly and as cheaply as possible. The administrative side of education leaves many students cold. The next paragraph of the speech states:

The Victorian Qualifications Authority will contribute to the new model for pathways for students and achievement of the government's aims for a more student-centred, cross-sectoral,

collaborative approach to post-compulsory education and training.

It would be extraordinary if that sentence amounted to a more flexible approach and a greater understanding for students. While those in the know, and perhaps those in this chamber, would feel comfortable with that sentence, I suspect it would not stack up too well as a measure of what students would respond to.

Mrs Peulich — And the community.

Mr BAILLIEU — And the community! If you uttered that statement in the community there would be a few rolled eyes and a few definitive switch-offs. The statement is extraordinary. It is unclear whether students will have a better understanding of the education system, let alone individuals and industry.

The Victorian Curriculum and Assessment Authority Bill essentially strips the Board of Studies of its role. I refer to the second-reading speech. The bill repeals the present Board of Studies Act and the speech states that the purpose of the new authority is to:

... provide leadership and expert support to schools by developing and implementing curriculum and assessment that will meet the needs of all students ...

No-one will argue with that. I do not think that is a groundbreaking statement and I suspect that the bill while stripping the Board of Studies of a variety of responsibilities in the process also strips the Minister for Education of a variety of responsibilities.

In neither bill is higher education on the agenda. It is mentioned in the second-reading speeches but it is difficult to find those exclusions in the bills, although I am confident there will not be a territorial dispute over higher education.

At the end of the day the pathways to higher education are as important as what now seems to be known as post-compulsory education, industry-based training skills and the higher years of schooling. Clearly, the ultimate objective is flexibility between the higher education institutions and all the other bodies that provide education and training. Those are the objectives of the bills as they stand, albeit stated shortly.

However, there are political objectives that should be acknowledged. Labor governments have a fondness for expanding the education bureaucracy. One does not have to be too old, have too long a memory or be too wise to recall what happened in the 1980s with education bureaucracy in Victoria under the Cain and Kirner governments. Honourable members should put

up the signpost, press the button and flag now that there is a concern the legislation will lead to an expansion of bureaucracy.

In the same vein, Labor governments also have a fondness for increasing the union domination of education, both as a favour to mates who provide both financial and electoral muscle and as a way of controlling the agenda in schools, training institutions and beyond. That is a second political objective.

Although it occupies only a small component of the two bills collectively, a third political objective is an important one — that is, to effectively shut down the private provision of post-compulsory training. Honourable members have seen ample evidence of that since the Bracks government has been in power. As I said, the opposition believes a fourth political objective is to bury the Minister for Education and insulate the government from her clear failings as a minister.

The context of the bills is important. It needs to be understood that three reports commissioned over the past 12 months gave rise to the bills. Two were commissioned by the Minister for Post Compulsory Education, Training and Employment and one was commissioned by the Minister for Education. The first was the Kirby report into post-compulsory education pathways; the second was the Schofield report, essentially into traineeships; and the third was the PENG (*Public Education — The Next Generation*) report, on which the honourable member for Warrandyte will focus, which essentially dealt with school education. They were expensive consultancies, and I am satisfied they were designed to establish the result we now see as much as they were designed to research a problem.

Significant changes have been made in the post-compulsory education sector in that a new layer has been added in recent weeks. The Parliament passed a bill to establish a new layer of education in Victoria. We currently have universities in the higher education sector; TAFE colleges; private registered training organisations (RTOs); the adult and community education (ACE) sector; and the schools sector. There are now Australian educational institutions, two of which have been established. We now have yet another layer of bureaucracy and educational confusion. Despite the fact that the bills are meant to help the understanding of students, I suspect that much of what the government has done will confuse them.

I will summarise where the bills take us. Currently, in the post-compulsory sector there are three boards —

each is called a board: the Board of Studies (BOS), which effectively deals with schools and curriculums; the State Training Board (STB), which deals with industry and training matters; and the Adult, Community and Further Education (ACFE) Board. It is now proposed to move from three boards or bodies to four bodies. They will have new titles. There will not be four boards; there will be two authorities, one commission and one board. In the process some new networks, which do not get as significant a mention in the bills as they should, will be added on the side. They are the LLENs (local learning and employment networks).

In short, the Board of Studies is becoming the Victorian Curriculum and Assessment Authority — the BOS is becoming the VCAA. The Victorian Qualifications Authority will be established, so there will be a VQA. The BOS is out, the VCAA is in and the VQA is in. The STB is out, and the VLESC is in. Fortunately, the ACFE board stays, and there are also the LLENs. I look forward to all honourable members passing the acronym test at the end of the session. I am not confident that that will lead to a ready understanding.

An interesting question arises because there are ACFE regional councils in the education sector. We do not know what will happen to them in the context of the bills.

Clause 40 of the Victorian Qualifications Authority Bill inserts proposed section 99, in which the members of the State Training Board are spilled. The Minister for Post Compulsory Education, Training and Employment, who has responsibility for the Victorian Qualifications Authority and the VLESC, will have the opportunity to appoint her own to the new commission and to the authority.

The new VCAA, the old BOS, will not be spilled. It is covered by clause 21 of the VCAA bill, which has a lovely heading: 'Saving of existing board members'.

Mrs Peulich — Isn't it generous!

Mr BAILLIEU — Very generous. Why are the existing members of the BOS being saved and the members of the State Training Board, which will become VLESC, being spilled? There is clearly ample desire on the part of the Minister for Post Compulsory Education, Training and Employment to appoint her own and exercise influence, yet the government has chosen not to allow the Minister for Education to exercise the same influence in the only area of responsibility she will have under the bills. It is a symbol of the victory the Minister for Post Compulsory

Education, Training and Employment has had in this sector, clearly for political reasons.

It is also worth understanding that some of the Board of Study functions will go to the VQA, some of the State Training Board functions will go to the VQA and some of the ACFE board functions will go to the VQA. The VQA will be a new body established essentially as a qualifications authority, and that authority has an extensive range of functions to which I will refer shortly.

During the departmental briefings we were told that the VQA is to be small; it is to be a lean organisation with only 30 to 40 staff. The interesting thing is that the VQA is to be co-located with the VCAA and the VLESC. Three new bodies will be established in the same location. That will be interesting.

What is more interesting is the cross-membership of those bodies. As for the membership of the board of the VQA, under clause 9 of the authority act the board will consist of 10 to 15 members. It will include the secretary of the department, the chairman of the VCAA and the chairman of the VLESC — perhaps I will refer to the VLESC as the commission — and the chairman of the ACFE board, so there is a significant cross-membership with the other boards. As for the board of the commission, the VLESC, it will comprise six to nine members including the secretary of the department, the head of the VQA and the head of ACFE. The VCAA board will consist of the secretary of the department and the head of the Victorian Qualifications Authority. It will be an 8 to 15 person board.

There will be three bodies in the same location and the membership of the boards will overlap. The people who will have overlapping membership on those boards are the people who have the most authority and the greatest capacity to make decisions. Although I am sure there will be Chinese walls and there will be a division of functions, it is clear that the functions of the various bodies and the detailed relationships have yet to be resolved.

Even in the briefings from the department it was apparent that there is a substantial lack of certainty about who will do what and who will have responsibility for what at the departmental level. Clause 16 of the Victorian Qualifications Authority Bill provides for the delegation of the authority's power. Most such bodies have such powers of delegation, usually to the departmental head, a subcommittee or the secretary of the board. The bill provides for more

interesting delegation powers than usual. Clause 16(1)(e), (f) and (g) provide that the VQA may delegate any of its functions or power to the Victorian Learning and Employment Skills Commission, the Adult Community and Further Education Board or the VCAA.

The new body created by the bill, which will be co-located and have cross-membership with the other bodies, will be able to delegate all its powers to the other bodies. It prompts the question: why do we need the body at the top, which will eventually become a Chinese Wall? I am not sure of the answer, but the opposition puts the government on notice that it will be watching with interest how the department will manage those difficulties without creating a needless bureaucracy and in the process undermining the very objectives that are sought to be achieved in improving opportunities and outcomes for students.

Honourable members must understand also that the three bodies will not in any way teach anybody anything but are administrative bodies. Nothing in the bills will cause a student to be infatuated with the VCAA, VQA or any of the other bodies which are known by their acronyms and which will exist as a consequence of the passage of the bill. The bill provides for structural administrative changes in the department and the education bureaucracy, but the future outcome that will be measured will be whether the bill advances benefits for students and industry.

The interesting thing is that industry has been willing to embrace a single qualifications authority. In its submissions to the Kirby inquiry the Victorian Employers Chamber of Commerce and Industry acknowledged that a single authority could oversee the process of 'navigating the way through the existing qualifications'. The Australian Industry Group has expressed the same view. There is some support for a single, one-stop shop for qualifications.

On other prospects, the Kirby, Schofield and other reports to which the honourable member for Warrandyte will refer entertain many other outcomes that will have an impact on students and are not a function of the bills. The Kirby report entertained the construction of the new bodies. It also entertained the idea of providing adult VCE and vocational education and training programs in schools, TAFE colleges delivering VCE and local learning and employment networks that are currently under construction in the community, not as a consequence of a bill but through departmental activity.

The Kirby report focuses on 15 to 19-year-olds. The opposition does not have any problem with that but notes that not only 15 to 19-year-olds are involved in post-compulsory education and training. Given that lifelong learning packages are encouraged and available in the community it must be acknowledged that mature-age students are entering the TAFE sector and wishing to revisit their skills. That component has not been as satisfactorily dealt with in the Kirby report as it might have been in a changing society.

It is of some note that the Kirby report expresses views on the VCE. At page 78 the report states:

The panel's terms of reference state that it should not review the VCE. This direction has been observed. The VCE, however, is the largest single program element of post-compulsory education and training for teenagers.

Peter Kirby chose perhaps not to ignore that brief but substantially to work his way around it. As a consequence there has been some discussion in the media that the nature of the qualifications produced by the proposed changes, whether they emanate from the Kirby report or from the various other bodies, will mean that universities in the higher education sector not touched by the bills will perhaps balk at the qualifications that will emerge. Already there have been articles in the press about the return of university entrance examinations, and recently the *Age* editorialised to that effect. If the government intends to allow the introduction of university entrance examinations it should say so, rather than have it happen by consequence of omission, gravitation or just on the sly.

The Schofield report goes to the matter of real change emerging from the body changes, and in particular it underpins the Victorian Learning and Employment Skills Commission. It is important to understand that the Minister for Post Compulsory Education, Training and Employment, heavily supported by Socialist Left members of the government, and in particular Senator Carr in the federal Parliament, had embarked on a campaign to undermine the private provision of training. That campaign has been going on for some 18 months.

The minister had hoped that the Schofield report, which is entitled *Delivering Quality — Report of the Independent Review of the Quality of Training in Victoria's Apprenticeship and Traineeships System*, would undermine the private provider training arrangements and give her the licence to change those arrangements dramatically. Sadly for the minister, the Schofield report was a great disappointment, and that

was reflected at the very conference of all providers of training, including private providers, that the minister called some months ago entitled Focus on the Future.

Professor Schofield was invited to the two-day conference to address those to whom the report was specifically directed. The Minister for Post Compulsory Education, Training and Employment was to be one of the speakers and was to introduce Professor Schofield. Circumstances being what they were, she was late — although I do not hold that against her. Professor Schofield was invited to speak first, and when the minister arrived she was interrupted and the minister was introduced.

However, when the minister got to her feet she barely mentioned the Schofield report. Despite the fact that she had gathered together some 500 people from the training industry at some cost to them — and, no doubt, at some cost to the government — she launched the Kirby report because the Schofield report had not satisfied her two great dreams.

The Schofield report concluded three things of great significance. The first was that the state training system was operating extremely well. So after 18 months of Senator Carr bashing the training system in Senate committee reports and the minister in this house claiming there was an appalling lack of quality in the system, that was not a conclusion that sat well with her.

Equally, the Schofield report concluded that user choice, another beef of the minister, had been a success, and I quote:

... this review believes that it —

user choice —

has promoted more flexibility, responsiveness and innovation in training delivery. It has encouraged providers, particularly TAFE institutes, to get closer to the clients — employers, apprentices and trainees — and levels of client satisfaction are high.

Page 27 of the Schofield report states that:

The review found considerable evidence in Victoria to indicate many positive quality outcomes arising from the introduction of user choice into the apprenticeship and traineeship system.

A series of dot points follows that outline the key benefits of user choice. They include a stronger focus on client service, more innovative and flexible approaches, providers being challenged and motivated by the actual or perceived threat of user choice, encouraging better management and training practices,

and strengthening the capacity of RTOs to balance supply and demand for training, and the list goes on. As I say, the Schofield report concluded comprehensively that user choice had benefited Victorians.

Last year the minister's bent against the private provision of training ran to an unprecedented and unpredicted freeze on traineeships — and the 24 November anniversary will pop up in the next couple of days. Yesterday we heard that the minister intends to extend the freeze for a further six months. The freeze, which caused chaos in the training industry, was designed to send trainees back to the union-dominated training sector.

The Schofield report reached a different conclusion. On the matter of the freeze the report states on page 30:

The freeze appears to have also had some negative impacts on the market.

It has frozen out new and potentially excellent providers seeking to enter the market.

It has had significant negative impacts on the individual business plans of private RTOs, especially those who had entered the market shortly before the freeze.

It has limited choice for those employers dissatisfied with TAFE Institute provision.

It has limited the capacity of private providers to respond to local industry expansion.

In short, that was the third leg of the argument on which the minister had hoped to base her undermining of the private provision of training. It is the opposition's hope that the minister has got the message. I am saddened that the freeze is to be extended by a further six months. In the past two days the Minister for Education has had to be bailed out by the Premier because of her flawed school funding model at the same time as the Minister for Post Compulsory Education, Training and Employment has extended the freeze on the spurious ground that the funds are not available. Yet this is the government that, by its rhetoric, wants to advance the status of training.

The minister has put a series of obstacles in the way of private training providers. She has changed the tender arrangements to specifically disadvantage private providers, and she has released the details of their tenders late to disadvantage them again. She has funded student contact hours differently for private providers, TAFE colleges and adult, community and further education providers. She has frozen traineeship entries and put a ban on TAFE colleges subcontracting the provision of training to RTOs.

Early in the year we saw the classic case of the minister allowing the major private provider of aged care, nursing and training to go to the wall even though, in opposition, she had promised to do otherwise. She has run a public campaign supported by members of her faction, but sadly, the only people who have suffered are trainees and businesses who had commitments. Many have gone to the wall as a consequence of the freeze introduced without consultation.

Industry has hopes for the bills, but it is looking for simplicity. However, the training industry itself is perhaps less indifferent to the bills. The department gave members a briefing note that said the training system is to be industry led. The opposition has concerns about that and will wait to see what happens.

In a departmental document provided to stakeholders, the VLESC (Victorian Learning and Employment Skills Commission) is described as a key body in an industry-led training system. I am grateful that the industry training boards have at least been kept and that the functions of the State Training Board will be taken up in the VLESC.

Industry was looking for a one-stop shop for qualifications; it was not looking for a new body in addition to the old bodies. While industry training boards are to be retained and will report to or liaise with the commission, in the accreditation of courses and qualifications they will now be one step removed. Accreditation and qualifications will now be in the hands of the VQA (Victorian Qualifications Authority), on the other side of the Chinese Wall. The honourable member for Warrandyte will examine the issue of course development in his contribution.

It is interesting to compare the role the industry will have in the proposed commission with the role it has had in the State Training Board, which will be dissolved following the passage of the bill. The State Training Board, for which the Minister for Post Compulsory Education, Training and Employment has responsibility, has barely met in the past 12 months — and when it has met, meetings have been superficial in the extreme. The board was not consulted on the freeze, despite its having the biggest impact on the training industry over the past 12 months.

I have referred to the Focus on the Future conference run by the State Training Board. The cost involved and the contempt shown for the industry are more than anything else measures of the politics of the bill.

There will be confusion about the development of courses under the new arrangements, and it remains to

be seen whether they will be a success. What if an industry body seeks to develop a new course in, say, aquaculture or the cranberry industry? Australia does not have a cranberry industry: the great Sunraysia cranberry juice is not Australian, it is imported. If Australia had a cranberry industry we could have a genuine Australian cranberry juice.

If under the current arrangements an Australian enterprise looked to develop courses in the cranberry industry, it would go to the State Training Board and the process would be simple. However, under the proposed arrangements it would have to go to at least two bodies. That has the potential to create delay and confusion, but we will give the department the benefit of the doubt in the hope that it will sort out any functional breakdowns.

I had hoped to walk my way through the bill, but I am anticipating an intrusion from the Chair at any moment — although perhaps she is on the edge of her chair because she is enjoying my contribution so much. However, one more acronym will probably push her over the edge!

The ACTING SPEAKER (Ms Barker) — Order! The honourable member for Hawthorn should not reflect on the Chair.

Mr BAILLIEU — I will walk my way through the bill after the dinner break.

Sitting suspended 6.30 p.m. until 8.02 p.m.

Mr BAILLIEU — Here we are again debating the Victorian Qualifications Authority Bill and the Victorian Curriculum and Assessment Authority Bill and sitting on the edge of our seats! As I was saying before the dinner break, I will briefly walk my way through the bills.

The honourable member for Warrandyte will focus on the Victorian Curriculum and Assessment Authority (VCAA) Bill. I will walk quickly through the Victorian Qualifications Authority (VQA) Bill with a view to examining some of the functions of, particularly, the VQA and the Victorian Learning and Employment Skills Commission.

I have already briefly addressed the matter of the membership of the VQA. I note particularly that clause 9 of the VQA bill refers to the authority's membership being of between 10 and 15 — —

Honourable members interjecting.

The ACTING SPEAKER (Mr Nardella) — Order! Will honourable members wanting to have conversations please have them outside!

Mr BAILLIEU — The authority will have on its board a membership of between 10 and 15. At least four of those will be required to have knowledge of or experience in industry. We hope those members will have experience in industry and not just knowledge of it. The opposition will watch that aspect with interest.

In the same vein, the VLESC will have a board of between six and nine members. Under clause 39 five members will be required to have knowledge of or experience in industry. Again, the opposition hopes they will have experience in rather than just knowledge of industry. I note that members of both bodies will be appointed for three-year terms, which is reasonable, and that meetings will be conducted on a regular basis.

It is really a question of the functions assigned to each of the two new bodies, particularly the VQA, which I wish to deal with and will now turn to.

Clause 6 of the VQA bill describes a range of functions of the VQA, particularly the development of policy for the accreditation of courses, the accreditation of qualifications, the recognition and registration of those qualifications, the approval of providers, the issuing of qualifications, and the entering into of arrangements with other bodies to develop and modify both courses and qualifications.

An interesting new word, 'linkage', has popped up in the vast lexicon into which post-compulsory education and training has dived. We have had 'pathways' and now we are blessed with 'linkage'. The opposition looks forward to an explanation of what linkages there will be and how they will be defined. There are apparently to be linkages between providers and linkages between qualifications.

In the same vein, I note that the Kirby report is also at pains to launch some new words. It shifts away from the word 'pathways' and introduces the word 'platforms'. Peter Kirby suggests that the platforms will encourage students to take a course here and a course there — but just messing with words will not really change anything so far as students are concerned. However, I expect that we will hear a lot about linkages and platforms in the future.

Clauses 19 to 24 of the Victorian Qualifications Authority Bill provide that the VQA is to be been assigned special functions. It will have the power to establish a state register of courses and qualifications

and to register organisations. Another special function will enable the VQA to investigate training organisations and accredit courses, including the VCE. The honourable member for Warrandyte will have something to say about that shortly. The authority will also handle the registration of RTOs (registered training organisations) and the issuing of qualifications.

Those clauses contain a new range of specific functions to be gathered together under the VQA, some of which have been stolen from the old State Training Board or shifted over from the old Board of Studies. In the departmental briefing, however, we were assured that the composition and structure of the VCE would rest with the Victorian Qualifications Authority and that the minister in charge would be the Minister for Post Compulsory Education, Training and Employment. That was a significant acknowledgment of the fracturing of the post-compulsory education sector and the education demarcation that now favours the Minister for Post Compulsory Education, Training and Employment.

I note in clause 6 that the VQA will be obliged to take advice from the Victorian Curriculum and Assessment Authority, the State Training Board, the Victorian Learning and Employment Skills Commission and the Adult, Community and Further Education Board. Those bodies are all co-located, a further reminder of the fact that while we have a fourth body — and, no doubt, Chinese walls — there will be an interesting play to decide who within those small bodies will do what and to whom.

As I said earlier, clause 16 deals with the exceptional delegation powers of the VQA. Clause 27 outlines who will be able to train and educate overseas students. We are assured that those provisions are consistent with the commonwealth legislation, but for us they are new provisions in the legislation as we know it.

Clauses 28 to 34 are enforcement provisions that the opposition has no problem with.

Clause 38 of the Victorian Qualifications Authority Bill, which substitutes proposed new section 9(1)(a) and (b) in the Vocational Education and Training Act, seeks to add to the powers of what is at present the State Training Board. Four of the proposed new paragraphs in section 9(1) — (a), (ab), (ac) and (ad) — go to the provision of advice to the minister. No doubt that will entail a number of members of the bureaucracy becoming policy advisers to the minister. It will be interesting to see how that affects the independence of the advice. The list of State Training Board functions

has been retained, minus the provisions relating to the registration and qualification of providers.

There are other parts of the clause that I think are good. Proposed new section 9(1)(da) enables the VLESC to monitor the outcomes of post-compulsory education and training. This is of particular interest to me. All too often in our TAFE colleges and private provider organisations we see the students out the door at whatever age they may be but do not monitor outcomes such as whether they end up in employment and the effectiveness of their training if they do. The question that often arises for TAFE colleges and private providers is whether we are simply churning students through those courses without examining whether the courses are satisfying needs. Any provision that assists in monitoring outcomes is welcome.

Proposed new paragraph (db) goes to the support of the local learning and employment networks that I spoke about earlier. This is a new device which is being installed by departmental purview. I think 5 December is the deadline for submissions from organisations seeking to aggregate local organisations with a view to forming one of these local learning and employment networks to which substantial sums of money will be applied but about which we do not know a great deal. We will not know a lot until some of them are established. The important thing is that we do not yet know much about the relationship these local learning and employment networks will have with adult, community and further education regional councils. It would be a great shame if we ended up in a situation where those regional bodies were competing with each other and undermining the intent of the bill.

I am pleased that the commission is keeping industry training boards. However, I note that the commission will be losing its qualification and registration functions to the Victorian Qualifications Authority. The accreditation and registration of providers will go to the VQA under the amendments to sections 73 to 85 of the Vocational Education and Training Act.

It is also important to note that the commission will retain the Australian National Training Authority (ANTA) functions under sections 9A, 9B and 9C of the Vocational Education and Training Act. It is important for the national training scheme that those functions be retained. The fact that we have a national training system has been lost in much of the rhetoric that the government has peddled about training. The scheme was introduced by the current federal government, which established an Australia-wide framework for training. It makes sense and is widely supported.

Having a training system that is recognised nationwide is one of Dr Kemp's triumphs. We should be doing everything we can to support it so that industry, students and educational institutions can relate to an education framework with a national basis. That is an important provision to be retained and supported.

Having walked through the Victorian Qualifications Authority Bill I will sum up by observing that it shifts a number of functions from a number of boards to a number of other boards and it relabels those boards. A relabelling exercise occurs with every change of government. This exercise has taken 12 months to be put in place, and who are members of the opposition to deny government the right to label as it wishes! However, those who wish to rebadge, relabel and recast organisations need to bear in mind the views of the very constituents to whom they are seeking to appeal.

I am reminded of a couple of the classic Labor re-imaging exercises of the past. I always wondered what happened to the bureaucrat who in the early days of the Cain-Kirner government decided to have Melbourne's trams painted orange. I also wonder about the commonwealth bureaucrat who decided to change the colour of the country's post boxes from red to yellow-orange. Both those ideas were abandoned in due course when the individuals responsible were seen to have been indulging in a peculiar folly of their own. There is a danger in any bureaucracy or government being tempted to undertake a relabelling exercise, let alone a reconstruction of authorities. I hope and trust that that is not the case with these bills.

What will Victoria get from the two bills? It will get four bodies instead of three running post-compulsory education and training, and if the local learning and employment networks are added it will arguably get five. It will also get some new members of some of those boards. The minister will arguably get a publicly funded personal policy unit. The taxpayers will get a substantial additional cost, a whole lot of new brochures describing the organisations and a whole lot of new stationery and annual reports with new labels.

Who will be happy about the proposed changes? There will be five very happy and powerful individuals who will control a large lump of the Victorian budget: the chairman-to-be of the Victorian Qualifications Authority; the chairman-to-be of the Victorian Curriculum and Assessment Authority; the chairman of the Victorian Learning and Employment Skills Commission; the chairman of the Adult, Community and Further Education board; and the Secretary of the Department of Education, Employment and Training.

Between them they will effectively control all three new bodies, and why should they not be happy about that? Honourable members should not pretend the bills represent anything other than the lodgment of considerable power into the hands of a few individuals.

The Minister for Post Compulsory Education, Training and Employment will no doubt be happy because she has won the demarcation battle over the issue and will now effectively have her hands all over the Victorian certificate of education. Some bureaucrats will be happy — I am not suggesting all — because they will have new opportunities in front of them. The unions will be happy because they will be able to ply their wares in the way they like most — that is, without any competition. A number of Labor's mates will be happy, and the opposition will watch with interest the appointment of members to the boards and to the local learning and employment networks.

Who will not be happy about the proposed changes? Some members of the State Training Board will not be happy, but I dare say they have had every reason to be unhappy for the past 12 months because they have been treated abominably. Members of industry training boards will not be happy because those boards will not have access to the new qualification authority in the same way as they now have access to the State Training Board. Adult, community and further education regional councils will not be happy because they will be sidelined in many arenas by the local learning and employment networks. Registered training organisations will not be happy because, again, they are being detached from the VQA in a one-step process. In the past 12 months they have had very little to be happy about in the way they have been treated by the minister.

Industry is yet to make a judgment, and I await the outcome. Who is left? The one group omitted in the bills and in what will follow appears to be the students. A briefing paper from the department asks, 'What will change?'. One answer summarises what students will get from the changes. The briefing paper says 'the changes will mean very little for the operation of schools on the ground'. The same could be said about TAFE colleges. The administrative and structural changes outlined in the bills will not necessarily benefit students.

I counsel the government to take care with the private provision of training. Registered training organisations in Victoria have endured extraordinary attacks in the past 12 months. Many have survived, but many have departed for one reason or another. Many have gone involuntarily. Some have chucked in the towel and said,

'It has become too hard. We are walking away from training in Victoria'. If the government chooses to ignore that, it is cutting its own throat.

Ultimately, though, the test will be how students react. So far as students are concerned there is no doubt it is a case of wait and see, even to the extent that they have been included in the discussions and the legislation to date.

Mr KILGOUR (Shepparton) — It is a pleasure to contribute to cognate debate on the Victorian Qualifications Authority Bill and the Victorian Curriculum and Assessment Authority Bill. The National Party does not oppose either bill. As the honourable member for Hawthorn said, the proof of the pudding will be in the eating. In the future the house will look to see whether the changes made to education across the board achieve what has been proposed in the legislation.

I am pleased the bills are being debated conjointly because they deal with a broadening of the Victorian certificate of education (VCE) and ensure secondary education ties in with training qualifications in the post-compulsory education area.

It is a subject I have been working on with the Northern Industry Education Board, which was established in Shepparton about five or six years ago. It has exactly the same aims as the bills. Secondary education needs to be tied in with further education. It has worked well in Shepparton. I hope some of the issues dealt with in Shepparton were considered when the government drafted the legislation.

The Victorian Curriculum and Assessment Authority Bill rebadges the Victorian Board of Studies and provides for the formation of the Victorian Curriculum Assessment Authority following the *Ministerial Review of Post Compulsory Education and Training Pathways in Victoria*. The review panel was chaired by Peter Kirby and the legislation follows his report.

Recommendation 28 was that the Victorian Board of Studies be restructured to form a cross-sectorial Victorian Curriculum and Assessment Authority and that its role include maintenance of curriculum standard framework, administering VCE assessments and the concept of statewide testing as directed by the government.

A couple of issues are rather interesting. When I read about statewide testing as directed by the government, I immediately go back to the famous LAP testing that was introduced by the previous government to show

how students were progressing through their school across the board. For those who were not then in the Parliament and do not remember, I remind them that LAP stands for the learning assessment project. It was an unqualified success, although the teachers union did not want to have it. The union was concerned that the tests might show up some teachers who were not up to scratch, but the fact is that if the teachers were not up to scratch they should not have been in the system anyway — and if they were frightened about having their students tested, the situation was very bad indeed.

The LAP is a statewide testing program, and I am pleased to see that the Kirby report recommended the concept of statewide testing as directed by the government. The success of the LAP tests has shown that government has an opportunity to benchmark students across the board.

The bill sets out the objects of the Victorian Curriculum and Assessment Authority, which will ensure that Victoria is able to reach greater heights in education through its work in developing high-quality courses and curriculum assessment products and services.

Looking at the Kirby report, knowing the people who put it together and seeing its recommendations, one can see that it is extremely well done. I was pleased that the project manager for the panel was someone who did a tremendous amount for education throughout the term of the previous government. Mr Howard Kelly continues with his work, and I have had discussions with him about the bill. He must be congratulated on his work on the Board of Studies and on continuing the progression of the previous good work into the future. Everything changes: government cannot stand still, and following the work of the Board of Studies, obviously some refinements are needed. These are starting to come through, and I look forward to seeing the linkages taking place between the various parts of the education system.

The authority will be developing courses designed to be undertaken in school years 11 and 12, including courses leading to the issue of the Victorian certificate of education. They will prepare students for the successful transition to employment, tertiary education, vocational education, training and further education. An important part of the bill provides linkages facilitating the movement between those courses and others.

Previously there have been problems in education when students got to a certain area and suddenly decided they wanted to change: either they were not able to do that or the change was not successful. I am hopeful that the

working together of these two pieces of legislation between two ministers and two sections of the Department of Education, Employment and Training will solve some of the problems that exist.

I was also interested to note the reference to ministerial directions in the Victorian Curriculum and Assessment Authority Bill. Clause 8(2) states:

The minister may not give any direction in relation to the awarding of a certificate or qualification to any particular student or the assessment contained in a certificate or qualification to be awarded to any particular student.

That ensures there will be no interference from the ministry or the staff of the ministry in whether somebody becomes qualified or receives a certificate. It ensures there will be no hanky-panky, so to speak, involving people who might have just missed out or felt they were harshly treated in their assessment going to the minister to see what the minister could do. Importantly it is clear that the minister may not give any direction as to the awarding of any certificates.

The bills spells out the membership of the authority. It will consist of not fewer than 8 and not more than 15 members. The secretary of the department is nominated as chairperson of the Victorian Qualifications Authority and the remaining members must be appointed by the Governor in Council on the nomination of the minister. I hope to see some new people with new ideas to help the authority along.

I was interested in comments we in the National Party received from people involved in education. A letter from one principal states:

Certainly today's students need to be proficient in literacy, numeracy, the use of the Internet and computers in general, and have the social skills to make them productive citizens of the future. I hope that this new authority can deliver on these issues.

I think everyone has that hope. Much is expected of the new authority, and I am sure all Victorians will look to the future in the hope that they will be happy with what the authority does.

A letter on the issue from another person states:

I think the second-last paragraph of the second-reading speech is a big call, and I would need convincing that these outcomes can be achieved.

The second-last paragraph states :

The authority will make a strong contribution to high-quality schooling for all young people, and the provision of a more effective range of pathways to further education, vocational education, training and employment. It will improve the

opportunities for many Victorians with poor participation in employment, education and training.

It is a big call, and I hope those people who are put in charge of the futures of students understand the importance of getting it right. The passage of time will show whether the way it has been set up is correct.

The National Party does not oppose the second piece of legislation, the Victorian Qualifications Authority Bill. Recommendation 27 of the Kirby report is that the Victorian Qualifications Authority be established to incorporate the accreditation, certification and quality assurance functions of the Board of Studies, the State Training Board and the Adult Community and Further Education Board, and have responsibility to maintain the quality and public integrity of qualifications and their associated assessment arrangements, and the recognition of education and training outcomes. The most important words are 'maintain the quality and public integrity of qualifications'. Honourable members would not want to see diminished in any way the standards in the system or the quality of qualifications. I hope the new board takes that into consideration and ensures standards are maintained.

Recommendation 29 of the Kirby report is that the State Training Board should be restructured to form a Victorian Learning and Employment Skills Commission, with a charter of functions that are outlined in the report. All honourable members would support whatever is necessary to ensure that Victoria's training programs provide the education that is necessary to give students a pathway to success in the future. Somewhere in the vicinity of 10 000 students per year drop out of industry training. That is not something to be proud of, so it is necessary to ensure there is flexibility in the system and that it offers students the opportunity to have a number of options.

I hope the legislation will provide the pathways that we need to meet the broad objectives, which are to develop and monitor standards, to ensure support for linkages and to facilitate procedures to make it easier for people to re-enter education and training and acquire qualifications throughout their lives.

If you were to talk to any group of people in the community — say, a group of men and women aged 25 years — and ask what they were trained for and what they were doing, you would find that many of them would not be participating in the careers they had originally set out to follow. They discovered when they got into their chosen fields that they did not like them and they wanted a change. We must make it possible

for people who need to change to be easily able to get into courses and move in different directions.

My son decided he wanted to enter the hospitality industry and he did so successfully. He went overseas, intending to stay there for 12 months, but after three months he phoned home and said that his occupation was not getting him where he wanted to be. He returned home, completed a degree at RMIT University and is now working for Deloitte Touche Tohmatsu in Bourke Street in the business marketing area, promoting the Internet internationally. That typical opportunity was given to him because by the time he returned from overseas he was eligible to apply for a course as a mature-age student. He was accepted by the university and did his four years.

He can be thankful that his father had a flat in East Melbourne where he could live free of charge, or else he would not have been able to complete his course, but they are the things people do for their families. I would like to think that people who want to change direction in education have the opportunity to do so. I hope the Victorian Qualifications Authority makes it possible for people who want to do that. Its success will be seen in the future.

I note in the minister's second-reading speech that the Victorian Qualifications Authority will receive advice from the Victorian Curriculum and Assessment Authority on secondary education qualifications and courses, from the State Training Board and its proposed successor the Victorian Learning and Employment Skills Commission on vocational training education qualifications, and also the Adult, Community and Further Education Board. The authority will receive advice from many areas. I hope it takes the good advice and talks to the knowledgeable people who are working at the coalface of education, thereby ensuring the right outcomes.

One does not get too many second chances in education or second chances to change education direction if it is wrong. Victoria is heading in the right direction to ensure that the linkages are present from the early secondary school age — when people are starting to get a direction in which they want to head — right through to when they are able to take on some of the vocational training courses and then further education courses as time goes on.

The Victorian Qualifications Authority will have a lot to say in the future of successful students and the operation of education. Industry will be looking to the authority to say, 'Please listen to us. It is not much good

providing people to industry who are being trained in the wrong area'. I recall talking to somebody in industry who said that all the students he took on from a particular school in Shepparton were trained in hydraulics. When they got into the industry they needed to know pneumatics, but they had not been trained in that field. We need to talk to industry to ensure that we are providing the education that industry needs. As we all know, technology in industry is moving at a quick pace, and therefore education needs to keep up with the changes in technology.

I wish the authority all the best. I hope we see the linkage between the two areas work well. I wish both pieces of legislation a speedy passage through the house and look forward to better educational outcomes in the future.

Mr MILDENHALL (Footscray) — What a contrast we have just seen. We have had the positive, thoughtful, practical and almost statesmanlike address from the honourable member for Shepparton, compared to the nitpicking, negative, conspiracy theory-based meander through the bill provided by the honourable member for Hawthorn, who told us he was going to take a long walk through the bill. It was almost a Burke and Wills-type walk through the bill. It meandered around a bit.

It is fair to say that the essence of the contribution from the honourable member for Hawthorn, apart from the fact that he needed a compass to retrace his steps, was that the bill will expand bureaucracy, despite specific advice to the contrary in the briefings provided by the department. Despite specific information given to the shadow minister for tertiary education and training, he still believes the bill will expand the bureaucracy.

The honourable member believes it is also about closing down private operators. He is still running out those lines — the fears, the anxiety theory — and saying it is also about burying the Minister for Education. I should have thought that the production, appearance and presentation of the two bills to the house was an outstanding example of cooperation and the integration of two ministries. It is nothing like the obvious and public rivalry we used to have in the last government between the two Phils who were trying to get to functions before each other to open something before the other one got there. What we are seeing is an object lesson in how ministries within an overall departmental structure can and should be able to get on.

This is a classic piece of Labor legislation. It is not the entire product. It results from a logical and lengthy

process involving the publication of Labor policy leading into the election and from appropriate research through the Kirby and Connors reviews and other research projects carried out on the Labor Party taking government. It was an extensive consultation process that sought the views and practical experience of those out in the field and integrated that into a long-range strategy that saw the coalescence of resources, the realigning of bodies, the introduction of legislation and the publication of strategic plans to get from point A to point B, and finally this piece of legislation, which sets up these bodies and realigns their functions.

The context of this legislation is far from that proposed by the honourable member for Hawthorn, who said the previous government had left a tremendous legacy, a fantastic foundation of education in this state on which this new government could build. We have spent some time in the house today detailing how the Kennett government ransacked education and drove it into the ground with the lowest per capita funding of any state in Australia.

The honourable member for Shepparton was spot-on in saying what a good piece of work the Kirby report was. One of the conclusions in the executive summary of the Kirby report — this is a description of the legacy that the previous government left for education in this state — is:

We have noted that the fruits of our economic growth have not been equally shared by young people or within them as a group ... The pathways for young people are uncertain, unequal and poorly signposted. The transition process from education and training to employment has become more complex and unpredictable. Victoria's and Australia's education and training for young people is mediocre, by international standards. Our levels of participation are poor, and the patterns of outcomes are too strongly skewed against certain groups and geographical regions. The linkages between education and training, employment and industry, and other support and safety net resources are weak. There is a lack of coordination between parts of the education and training system, and there is a need for stronger and clearer vision. The system lacks accountability for all young people: many fall through the cracks.

That is a great legacy, isn't it? That is a terrific endorsement of and a great vote of confidence in the condition of the training industry as left by the previous government!

The other context for the bill is the repair job the government has begun on the education system as described by the Kirby report. Part of that — it sits alongside this bill — is the \$65 million that will be provided over four years for the management of individual pathways for students in post-compulsory

education years. Most of that money will be allocated to schools.

One of the indictments of the previous system was that as students began to drop out of secondary school in record numbers and as the retention rate fell by 10 per cent after the Kennett government came to office, 50 per cent of young people who left school before year 12 went to unknown destinations. The previous government did not know and did not care. That is the difference between the Kennett and the Bracks governments. The previous government did not know or care. But what is Labor doing about it? It is putting \$16.5 million a year into managing individual pathways, particularly aimed at students in that category; \$15 million of that money will be allocated to schools. That has meant that more than \$450 000 will go to the four schools in my electorate of Footscray. That will be welcome money, and it is certainly applauded by the principals of those schools, who have been extremely anxious about the lack of resources for students in that vulnerable time.

Another difference between the former coalition and the Bracks governments is that because the retention rates fell through the floor this government has set positive targets to improve the lot of those students. The targets include a 90 per cent retention rate by 2010 and an increase of 6 per cent in the participation rate for 15 to 19-year-olds in regional Victoria. These are worthwhile targets. The last government did not bother setting targets. It knew that as the indicators dropped each year the story was getting worse. If it had set targets based on trends, the targets for participation in education, or retention rates, would have been lower in each succeeding year.

Part of the problem in secondary schools that the government has had to try to fix up is the culture in years 11 and 12. It has had to try to change the culture from the ferocious, law-of-the-jungle competition that the previous government fostered through its Schools of the Future and self-managing schools policies to a culture of caring, nurturing and shepherding students through the pathways into higher education. Time and again as Labor members, who were then in opposition, visited schools and talked to parents and teachers about the pressures students were under in the higher years, they were told that students were shepherded out of schools. Schools were so concerned about their VCE pass rates and their place in the local and state competition of the education marketplace fostered by the previous government that students were often tapped on the shoulder and told, 'Listen, Sunshine,

you're really not going to make it through years 11 and 12. You might as well get out now'.

That was done for no other reason than to ensure that pass rates were as close to 100 per cent as possible. The government is broadening the options. It is managing individual pathways. A clear indication of the new level of commitment is the 60 per cent increase in the vocational education and training (VET) funding in schools. Funding has increased to \$4.7 million for the next calendar year.

Under the Kennett government secondary schools were desperate for funds and were forced to go cap in hand to technical and further education colleges trying to get VET courses up and begging TAFE colleges to provide VET courses at something like 40 per cent of the going rate. Time and again they said, 'Give us a discount. We can't afford to run it'.

Government Members — Who was the minister for TAFE?

Mr MILDENHALL — Well may you ask. One of the changes in the culture I talked about earlier is the way the government is establishing local learning networks, funding resources and fostering and setting up local cooperative planning groups whose task it will be to look after the education, training and employment opportunities for students in the local community. They will work in a cooperative and caring way, not with the law-of-the-jungle attitude the previous government subjected young people to. In contrast to the local marketplace the previous government set up, the Bracks government is attempting to institute a culture of strategic planning, cooperation and nurturing young people. It is investing in the future of young people to benefit our community.

The main thrust of the legislation is to provide a one-stop accreditation centre. The Victorian Qualifications Authority will take over the accreditation function from the State Training Board, the former Board of Studies and other bodies. No wonder the opposition spokesman on education found it so difficult to admit that industry bodies such as the Victorian Employers Chamber of Commerce and Industry supported the simplicity and efficiency of having one body that industry, schools and training organisations could go to and say, 'Is this course accredited?', so they can find out to whom they should make an application.

The honourable member for Shepparton referred to the quality recommendations of the Kirby report. The Victorian Curriculum and Assessment Authority will assume most of the functions of the Board of Studies.

As previous speakers have said, many of the functions will remain the same. An interesting difference relates to the changes to the Board of Studies the government will make in setting up the Victorian Curriculum and Assessment Authority. The bill will require the minister to take some account of the experience and qualifications of members of the board of the authority. It will be far less likely that appointments such as that of Kevin Donnelly, the failed Liberal preselection candidate for the Legislative Assembly seat of Kew, will be made. There will be no more jobs-for-the-boys appointments as there were in the past.

This proposed legislation requires the person to have the appropriate background and experience. The previous Board of Studies legislation introduced by the Kennett government had no such requirement. It effectively allowed the minister to appoint any person he wanted to the Board of Studies. The community will be far better protected under this bill than it was under the legislation it replaces.

The bill is good legislation. It comes out of a detailed, thoughtful and analytical process and comes as close as possible to the ideal of having a seamless system of accreditation, training pathways and linkages between the appropriate organisations. The government has been careful to set up proper linkages between the bodies through the mutual membership of chairpersons and departmental secretaries. The shadow minister for tertiary education and training has said that the process creates an overlap, but the government sees it as having the appropriate linkages for the effective transmission of information. Whereas the government sees the process of establishing bodies with separate and clear mandates as a logical allocation of functions, the shadow minister sees it as setting up Chinese walls between the organisations. One cannot have it both ways. It is clear that although each organisation has a separate and clear mandate there are appropriate linkages between them. The shadow minister's reference to them as overlapping bodies with Chinese walls between them defies logic and shows the confusion created by his meandering Burke and Wills trek through the legislation.

The bill is a good measure. It is part of the Bracks government's signposting for the Victorian community of the new pathways through the post-secondary education and training systems. The bill has been endorsed by the relevant authorities, and it is totally compatible with the federal structures. It emulates leading international best practice, and it sets the pace in the Australian context. This government is not only repairing the damage left by the previous government

but is leading the way in the Australian context with thoughtful legislation that is based on a clear mandate and a clear mission to repair that damage and to provide a positive future for Victoria's young people.

Mr HONEYWOOD (Warrandyte) — In joining the concurrent debate on the Victorian Curriculum and Assessment Authority Bill and the Victorian Qualifications Authority Bill I must say it is a shame that the Labor Party of the modern time has lost all its revolutionary fervour. It is a shame that the so-called party of reform has had to come up with a report like the Kirby report to support the legislation. I do not blame Peter Kirby — he is an outstanding bureaucrat — but all the report does is plod along the evolutionary rather than the revolutionary path.

Ms Delahunty interjected.

Mr HONEYWOOD — I pick up the interjection of the Minister for Education, who says I am a goose. It takes one to know one, Mary. You are going out for a golden duck! To the golden duck opposite who goes, 'Quack, quack, quack' and has the hypocrisy — —

Mr Seitz — On a point of order, Mr Acting Speaker, I ask you to direct the honourable member for Warrandyte to use the proper form of address in the house. Given that he has been a member of Parliament for a long time and that he is a former minister, I believe it is a disgrace that he has used that form of address in referring to another honourable member.

The ACTING SPEAKER (Mr Nardella) — Order! I uphold the point of order, and I ask the shadow Minister for Education to use the proper forms of address in the house.

Mr HONEYWOOD — One has to wonder why Labor ministers choose to send their children to the most elite private schools in the country, yet publicly pour a bucket on private schools and lock them out of negotiations. One has to wonder about the hypocrisy of Labor ministers when in government! I cannot recall one former Labor education minister who did not send his or her children to elite private schools. What a choice!

Mr Wynne — You're a grub.

Mr HONEYWOOD — On a point of order, Mr Acting Speaker, I would have thought you may have intervened by now, but referring to an honourable member as a grub is hardly satisfactory language for an Acting Speaker to tolerate, and I ask for it to be withdrawn.

The ACTING SPEAKER (Mr Nardella) — Order! The honourable member for Warrandyte has taken offence at the word, and I ask the honourable member for Richmond to withdraw.

Mr Wynne — The contribution of the shadow minister has been an absolute disgrace. He failed this morning, and he has failed this evening.

The ACTING SPEAKER (Mr Nardella) — Order! I have asked the honourable member for Richmond to withdraw, as the honourable member for Warrandyte has taken offence.

Mr Wynne — I withdraw.

Mr Viney — On a point of order, Mr Acting Speaker, it is expected that honourable members should address their remarks to the bills before the house. So far the honourable member for Warrandyte has been conducting a vitriolic personal attack against the Minister for Education.

Honourable members interjecting.

The ACTING SPEAKER (Mr Nardella) — Order! I ask honourable members on my right to be silent while I hear the point of order.

Mr Viney — For the past 3 minutes the honourable member for Warrandyte has been conducting a vitriolic personal attack against the Minister for Education, including making remarks about her family. I do not believe her family or her personal situation has anything to do with the bills before the house.

The ACTING SPEAKER (Mr Nardella) — Order! There is no point of order at this stage. The honourable member for Warrandyte has just begun his address, but I ask him to address the bills before the house.

Mr HONEYWOOD — They can dish it out but they can't take it. They sent the Attorney-General in here this morning to do a character assassination on me, and they all cheered behind him, but when the boot is on the other foot they don't like it, do they! They can't take it!

Who was it who abolished technical schools in Victoria? Former Premier and education minister Joan Kirner. Who was it who ruined the so-called pathways for young people who wanted technical-skills focused careers? What happened after Joan sold off those assets to bolster her sinking ship and after she got rid of the dual-track high school system? The coalition

government introduced better schools — not you, but us. We introduced genuine pathways to enable high school students to commence TAFE diplomas and to move on after high school to obtain TAFE qualifications.

Mr Hardman — On a point of order, Mr Acting Speaker, the shadow Minister for Education has now been speaking for 6 minutes on irrelevant matters. I ask that you bring him back to the bill.

Mr HONEYWOOD — I acknowledge that the honourable member for Seymour is a new member, but if he had bothered to read the bills and listen to his own government speakers he would be well aware that pathways and training pathways form key parts of the bills. When he bothers to read them he might retract his point of order.

The ACTING SPEAKER (Mr Phillips) — Order! At this stage there is no point of order.

I have no need to remind honourable members that over the past couple of days education has been an interesting issue and one that is likely to remain interesting. However, certain rules of decorum apply to the house. Although interjections are disorderly, the Speaker has ruled that they should not be totally discouraged but presented in an orderly fashion.

Many precedents exist for speakers to have a little licence, to put their left or right-hand blinker on or sometimes do a U-turn, but they know they must return to the bill. I ask all honourable members to allow the honourable member for Warrandyte to continue and for interjections to be orderly. I remind all honourable members that they should speak on the bills. I will hear no more on that point of order.

Mr HONEYWOOD — It is one thing to set targets, but it is another thing to act upon them. Honourable members on this side of the house hear noise from government members on the issue of amalgamations. The government says the former government amalgamated and destroyed so-called TAFE colleges. What it fails to mention is that Victoria stands out compared to any other state because it is the only jurisdiction in Australia that has TAFE colleges and universities combined — that is, multisector institutions.

If one wants to be serious in talking about academic training pathways, one need only go to the Victoria University of Technology (VUT), which many honourable members opposite represent, to the Swinburne University of Technology, or to the Royal

Melbourne Institute of Technology (RMIT). They will discover that Victoria has the highest rate in Australia of pathways for TAFE graduates going on to higher education.

I should have thought that honourable members opposite would appreciate that Victoria is the only state that has that incredible record. That is because a decision was made when I was minister — —

Government members interjecting.

Mr HONEYWOOD — They don't bother to examine the situation. When I was minister a choice had to be made — —

An honourable member interjected.

Mr HONEYWOOD — Quack, quack, quack; there she goes again!

A choice had to be made where either TAFE divisions of universities were to be unbundled and sent to the four winds or multisector institutions were to be grown to ensure that the TAFE component of the universities was healthy and vibrant enough to encourage more young people to progress from high school training pathways. Students commenced a TAFE course in years 11 and 12 with some work experience component, and in many cases after high school they went on to a multisector university. Again, in many cases, upon finishing their TAFE qualification they progressed to higher education degrees in their area of speciality.

The government chooses to ignore that and to bag the amalgamations. Government members who campaigned against VUT and Swinburne growing their TAFE divisions are now quaffing the drinks at VUT functions and supporting VUT being a TAFE college and a university combined. They certainly have not bothered to do their homework on understanding training pathways.

The opposition does not oppose the bill, because at the end of the day the government has again been evolutionary rather than revolutionary. It has not listened to the rural communities, which are saying they want a particular way of ensuring young people do not leave the country and that perhaps we should go back to having, for example, the option of year 9 to 12 vocational high schools in a number of provincial cities. Labor has not even discussed that possibility.

Ms Allen interjected.

Mr HONEYWOOD — I take up the interjection of the honourable member for Benalla, because in the Wimmera electorate alone — —

Ms Allan — She does not represent the Wimmera electorate!

Mr HONEYWOOD — I am talking about country areas. I would have thought she might be interested in the odd country area.

The ACTING SPEAKER (Mr Phillips) — Order! I ask honourable members to address their comments through the Chair.

Mr HONEYWOOD — Only two years ago the previous government constructed a new \$13 million TAFE campus at Horsham. I should have thought the Minister for Education would have been interested in the Wimmera. In the same electorate the former government constructed a \$2 million TAFE campus at Stawell. Down the road at Ararat it built a new \$1.5 million campus and co-located it on the secondary school site.

The former government wanted to act on the vision of ensuring that young people had training pathways from high school into TAFE. What better way to do that than to have an education precinct in a country town to encourage people to go the extra mile and enrol in TAFE courses while still in high school? That initiative was facilitated by the fact that in those cases the TAFE campus did not have a Berlin Wall around it. The campus was on the same site as the high school campus and young people could walk across the football oval to participate in TAFE programs while still attending high school. The opposition has not seen many examples of the government following the former government's initiative of establishing education precincts.

I turn to the rhetoric of Labor on the issue of apprenticeships. In 1992 when former Premier Joan Kirner left office there were 31 000 apprentices in Victoria. When the Kennett government left office there were 55 000 funded apprentices. The Minister for Post Compulsory Education, Training and Employment will not deny that — she knows her department officials are the same people who used to report to me. She will not deny that the Kennett government had doubled the number of funded apprentices when it left office compared — —

Mr Helper — On a point of order, Mr Acting Speaker, the honourable member for Warrandyte is obviously inviting interjections across the table, which I would have thought is extremely disorderly. I ask you,

Mr Acting Speaker, to call on him to conform to the forms of the house.

The ACTING SPEAKER (Mr Phillips) — Order! There is no point of order. Interjections being invited across the table are disorderly, and all honourable members should know that. However, the honourable member has been speaking through the Chair because I asked him to do so. At this stage there is no point of order.

Mr HONEYWOOD — I turn to the report entitled *Public Education — The Next Generation*, which is known as the PENG report. If the Kirby report was evolutionary, let us look at what Lyndsay Connors, who was paid considerable amounts of money to fly in from New South Wales, said. In an article in the *Age* newspaper Ms Connors said she was surprised when she visited government high schools. She took a notebook with her that she thought she would have to fill with complaints from high school principals and school councils about the disasters that supposedly occurred under the Kennett government. However, she wrote that she found the schools to be very pleased with the way they were operating. She was surprised to find the schools commented that they had been doing very well for themselves. She was equally surprised when she discovered that the schools were saying that a degree of self-governance, similar to that under the self-governing schools program, was the way forward.

The Minister for Education has now rebadged the concept of self-governing schools and called it enhanced self-management. That is calling the same thing by another name, because enhanced self-management is no different from self-governance. The minister will not admit that because her ideological running mate, Mary Bluett, who also runs her, will not have a bar of its being called self-governance.

Another point to be made about the legislation is that by establishing the third quango, or quago, which Labor is so good at doing when in government, there is a danger that the right arm will not know what the left arm is doing. Where does a community group, a training organisation or an employer association go to find out whether a new vocational education and training (VET) course applies to its particular industry group? One used to go to the Board of Studies, which would then act on that.

Now one must go to the Victorian Qualifications Authority, which may have a look at it and then report to the new Victorian curriculum authority. The curriculum body might go back to the employer group

and in a convoluted manner, maybe one year later, movement might happen at the station. I am most concerned that in establishing a third body facilitation and consultation will be dissipated.

Employers should not need a *Melway* directory to work their way through the training system. It has been hard enough for employers to cope with the language of training without the new acronyms with which the honourable member for Hawthorn did such a wonderful job — —

Mrs Peulich — On a point of order, Mr Acting Speaker, I realise this is a vigorous chamber, and I would be the last person to ask for remarks to be withdrawn. However, the honourable member for Benalla has been steadily calling and mouthing at me the words 'Fat cow'. That is beyond the pale and I ask the honourable member to withdraw those words.

Ms Kosky — On the point of order, Mr Acting Speaker, the debate has not been vigorous within the chamber over the past hour or so, but I would have thought that for an honourable member to take offence at comments they would probably need to be audible comments. I wonder if that was the case because I certainly did not hear them. I wonder whether the honourable member has a thin skin.

Ms Asher — Further on the point of order, Mr Acting Speaker, it has been a longstanding tradition of this place that if an honourable member has taken offence it is a courtesy for the honourable member who has caused that offence to withdraw. I am disappointed with the mouthing that has occurred across the chamber and it would be preferable, given the traditions of this place, that the honourable member withdraw.

Ms Delahunty — On the point of order, Mr Acting Speaker, as a member who has been on the receiving end of some grossly defamatory and offensive comments from honourable members on the other side, I point out that it is clearly the understanding in this place that if an allegation is made it must be heard by both the honourable member to whom it causes offence and by other honourable members in the house. I think the honourable member for Bentleigh is imagining things!

Ms Allen — On the point of order, Mr Acting Speaker, if the honourable member for Bentleigh has taken offence, I withdraw.

Mr Honeywood interjected.

Ms Delahunty — On a further point of order, what an outrageous thing to do! The honourable member for Benalla has withdrawn with great dignity.

Honourable members interjecting.

Ms Delahunty — It is outrageous! There is no allegation of guilt, and you — —

Honourable members interjecting.

The ACTING SPEAKER (Mr Phillips) — Order! I have previously indicated that this is obviously a subject on which both sides of politics are very touchy. It is also a subject that can bring this house into great disrespect. I ask all honourable members to observe the rules of the house. A request has been made for a withdrawal. I thank the honourable member for Benalla for withdrawing without being asked.

The honourable member for Warrandyte's time has now expired. I ask all honourable members to take a deep breath and think about what they are saying.

Mr HARDMAN (Seymour) — I will endeavour to speak on the bills, and it is a pleasure to do so. The Victorian Qualifications Authority Bill is important because it provides that one body will have the power to ensure that linkages are made between the different post-compulsory education and training qualifications. It will allow people at various stages of their lives to move between or re-enter different education and training sectors and to take part in lifelong learning, which is promoted so regularly these days.

We are told to expect to make several career changes in our lives. Obviously hand in hand with those career changes is the gaining of new qualifications that require the undertaking of training courses. Different qualifications from different sectors will be managed by the Victorian Qualifications Authority, which will ensure that qualifications associated with post-compulsory education and training courses are matched.

The membership of the VQA will include stakeholders from industry and education as well as representatives from the Victorian Learning and Employment Skills Commission, the Adult, Community and Further Education Board, and the Victorian Curriculum and Assessment Authority. That will ensure that a broad view is taken when deciding on accreditation and recognition of training courses and qualifications.

I am pleased also to speak about the Victorian Curriculum and Assessment Authority, which will

develop, approve and evaluate high-quality curricula, assessment and resources to meet the needs of all students. When students opt to undertake training for qualifications they are entitled to attend courses of a decent standard, and that will be ensured by the VCAA.

The Victorian Learning and Employment Skills Commission reflects the needs of post-compulsory education, training and employment. It arose from the Kirby report and the Growing Victoria Together summit. When the bill is passed the VLESC and the innovations commission will be there in Victoria's future to deal with information technology and skills shortages in areas such as the automotive industry and hospitality, where we are currently struggling.

I shall finish on a general note. The bills are about qualifications and the VCAA. The debate is not an opportunity to make appalling personal attacks on members of Parliament, including ministers. I hope during the next day or so of this sitting the debates return to a higher standard so that honourable members do not have to put up with what we have been putting up with in the past two days.

Mr WILSON (Bennettswood) — I am pleased to join the debate on the Victorian Curriculum and Assessment Authority Bill. At the outset, I point out that the previous coalition government made the claim that the provision of quality education was its no. 1 priority. I note that the Premier has made a similar claim, and I presume the bill is a vital component of that commitment. The vast majority of Victorians would share the commitment of both sides of politics to attaining excellence in education. I trust the bill will meet the expectations of the Victorian public.

The bill had its beginnings in the government's two reviews of the Victorian education system in 2000. The report of one review, entitled *Public Education — The Next Generation*, is worth quoting from. Although the review delivered findings that suit the government's political agenda, it also made observations that have escaped the thought police of Minister Delahunty and the Labor Party. In particular, and with the rhetoric of the Australian Labor Party in mind, I will quote from the report's executive summary:

Victoria has a good public school system and the makings of an outstanding one.

What a concession by a ministerial working party appointed by the new Labor Minister for Education, given all her carping and whining while in opposition! A further quote from the executive summary also

differs from much of Minister Delahunty's rhetoric over the past 12 months:

The review found strong support for self-managing schools but equally strong opposition to policies that promote competition rather than collaboration among public schools. The report states that the moves over the past three decades to give schools greater freedom and flexibility in the delivery of education have been generally beneficial. Self-managing schools have been a successful innovation for Victoria and enhanced self-management should constitute the cornerstone of the next stage of development. This enhanced self-management requires renewed government support for public schools, collaborative networks of schools and commitment to learning excellence in all schools.

The bill is a rebadging exercise. It is about perception and rhetoric and contains little substance or policy. At the end of the day, there will be few differences in the delivery of education in the state of Victoria.

The bill has three essential objectives. Firstly, its goal is to develop curriculum and assessment products for courses normally undertaken from preparatory year to year 12, or the Victorian certificate of education. Secondly, the bill establishes a new body, the Victorian Curriculum and Assessment Authority, which will take over the role of the Board of Studies. The objectives of the new authority are listed in clause 5, and I quote:

- (a) to develop high quality courses and curriculum and assessment products and services;
- (b) to develop courses normally undertaken in, or designed to be undertaken in the school years 11 and 12 including courses leading to the issue of the VCE that will prepare students for successful transition to employment, tertiary education, vocational education and training and further education;
- (c) provide linkages that will facilitate movement between those courses and other courses.

The membership of the authority guarantees that it will be a Labor Party think tank. Clause 9 defines the membership of the authority:

- (1) the Authority consists of not less than 8 and not more than 15 members of whom —
 - (a) one must be the Secretary to the Department ...
 - (b) one must be the Chairperson of the Victorian Qualifications Authority ...
 - (c) the remaining members must be appointed by the Governor in Council on the nomination of the Minister.

The last four words of clause 9(c) guarantee that the authority will be a political body rather than an educational body. Because the new authority will be

appointed by the current Minister for Education, we will be guaranteed that it will be politically correct and politically compliant.

The minister's second-reading speech makes the observation:

The authority will report directly to the Minister for Education and its board members will be chosen for their individual expertise and capacity to contribute to the improvement of quality of school education at all levels.

Given our experience of this minister, that is a disturbing revelation.

The third main provision of the bill is that the new authority will be required to liaise closely with the Office of Schools, the proposed Victorian Qualifications Authority, the State Training Board, the Victorian Learning and Employment Skills Commission, the non-government schools sector and the post-secondary institutions.

All in all, this is a rebadging exercise. I hope when the bill is implemented the best interests of Victorian students will always be close to the hearts of all those who administer the new bill and the new authority.

Mr SEITZ (Keilor) — I wish to join the concurrent debate on the two bills — namely, the Victorian Curriculum and Assessment Authority Bill and the Victorian Qualifications Authority Bill. They are important instruments of this Parliament and need to be treated seriously.

I congratulate the minister on overhauling the structure of education not just in classrooms but also in Victoria so that, firstly, a proper process is in place for developing the curriculum, and secondly, a proper process is in place and boards are established for assessing qualifications.

It is very important that there is a proper set-up for the recognition of qualifications, particularly interstate qualifications, and that that principle operates across Australia so that a person who is qualified as a tradesman in Victoria can have his indenture papers recognised in another state. Such a system would enable a plumber, for example, to have his qualifications recognised by the health boards of different states.

Too often it happens that qualifications obtained in one country are not recognised in Australia. In my opinion the new boards, when established, should take care that qualifications are recognised not only in this country but also in New Zealand. In this area people move

freely from one country to the other and from one state to another — for example, to Tasmania, the Apple Isle, that thinks it is separate from Australia and has different rules.

I recall my days at teachers college. When I had just about finished my training I was informed that although I would obtain my diploma, it would not be recognised in New South Wales, Queensland or South Australia and that I would have to study for another 12 months in those states if I wanted to move there for work or for family reasons.

It is important that with the establishment of the new authorities these matters are taken into consideration and developed, as I am sure they are covered in the legislation and regulations of other states and administered by other ministers. It is also important that people involved in trade are included on those boards and have an input into the establishment and accreditation of new courses. Every day new industry is developing and new computer technology and information technology courses need to be accredited and properly recognised across Australia and internationally.

Because of that the qualifications of graduates from our TAFE colleges can be recognised in other places, and if they want to go on to further university studies they can get credit points for the studies they have completed. That makes the bills important, and it is vital that the structure is set up well.

Over the years Australia has been fortunate to have its skills qualifications, particularly trade skills, recognised by most other countries. Australians are sought after for their skills, and our courses are properly documented and accredited so other countries find it easy to accept the qualifications of our students and award accreditation points for the studies they have completed here. A typical case is in my own family — my daughter. She did two years at Melbourne University's faculty of education and then went to America. The United States accredited all the studies she had completed in Melbourne and she eventually graduated with honours, gaining membership of an American honours fellowship — no mean feat when one considers she did the last two years of study in a foreign country and had to cope with differences of language and culture.

The bills contain some mundane provisions regarding funding, subcommittees and boards and also deal with the delegation of powers. Those matters are important. I am pleased to see, however, that the legislation also

takes into account the importance of our younger generation. Secondary schools and secondary curricula must be geared to keeping our students at school and must instil into them a desire and a need for education, particularly vocational education, so they will stay in the system and develop further. Our country can develop only if it has sufficient people with saleable knowledge, abilities and intelligence.

Many Australian universities have a lot of overseas students, and some have campuses overseas. The export of education today is a major income earner for both Australia and Victoria. That proves that education is important not only in providing our citizens and residents with the wherewithal for the future but also as an export income earner and an agent of goodwill, particularly in Asian countries.

Other members are keen to speak on the bills, so with those few remarks I conclude my contribution by wishing the bills a speedy passage through the house.

Mr KOTSIRAS (Bulleen) — It is with pleasure that I speak on the Victorian Curriculum and Assessment Authority Bill and the Victorian Qualifications Authority Bill. All honourable members will agree that education should be our no. 1 priority. Education is all about lifelong learning from the cradle to the grave. Honourable members must work together to ensure Victoria has the best education system in Australia.

Before I comment on the bills I will quote from the minister's second-reading speech:

A study of the disciplines that help shape and reshape our humanity is essential as a preparation for engaging with an increasingly complex society. The studies of history, literature, mathematics and science, for example, are key components of a quality secondary education.

There is absolutely no mention of languages other than English (LOTE). I have asked the minister on many occasions to confirm her support for LOTE, but that confirmation has not been forthcoming. The danger is that we will no longer have students learning a second or third language. By not encouraging kids to be bilingual or multilingual we will lose that which makes us competitive.

The problem with these two bills is that there is confusion as to who is responsible for what. The real agenda is to ensure that the Minister for Post Compulsory Education, Training and Employment looks after the Minister for Education.

The Victorian Curriculum and Assessment Authority Bill establishes the Victorian Curriculum and

Assessment Authority and disbands the present Board of Studies by repealing the Board of Studies Act. The Victorian Qualifications Authority Bill provides for the establishment of a Victorian Qualifications Authority that will be responsible for the accreditation and certification of all post-compulsory education and training in Victoria, with the exception of higher education. The bill also provides for the restructure of the State Training Board to form the Victorian Learning and Employment Skills Commission.

It is important to look back and see what happened under the previous Labor government. In 1986 the Victorian Curriculum and Assessment Board was established to look into the curriculum assessment and certification arrangements for all Victorian students in years 11 and 12. Who was on the board of VCAB? The chairperson was Dr Peter Hill, who I think is the same Dr Peter Hill who wrote the reference for the present minister. There were also representatives of government schools, higher education and non-government schools.

The members of VCAB included a nominee of the Minister for Education, a nominee of the Catholic Education Office, another nominee of the Minister for Education, a nominee of the teachers union in the independent schools, a nominee of the Teachers Federation of Victoria, a nominee of the Victorian Secondary Teachers Association; a nominee of the Victorian conference of principals, and another nominee of the Teachers Federation of Victoria. Of the 22 members of the board, more than 20 per cent came from the teachers unions and more than 50 per cent were controlled by the minister. That is my fear about this bill — that is, that the members will be controlled by the minister. I pay tribute to Howard Kelly, a professional who has worked hard for both sides of politics.

A 1992 report in the *Herald Sun* about the VCAB states:

The chief executive of Victorian Employers Chamber of Commerce and Industry, Mr David Edwards, said employers were concerned at how the VCE had been politicised and the effect that was having on the morale of teachers and students.

'We would like to see a high degree of external assessment and there have obviously been concerns about VCE maths and English made public', Mr Edwards said.

A *Herald Sun* report of 31 May 1992 states:

Melbourne University has renewed its threat to conduct an entrance exam for English if the Victorian Curriculum Assessment Board (VCAB) does not agree to its demand for a 50 per cent external assessment of the VCE English course.

A *Herald Sun* report of 5 August 1992 states:

After six years of mistakes and accidents one might have expected the bureaucrats at VCAB would finally have got it right. Nothing could be further from the truth.

...

Such has been the outcry that VCAB has been forced to dramatically redesign the certificate ...

If nothing else the events of the past two weeks have proved how hollow and empty these assurances are. No amount of crisis management at this late hour can disguise the fact that the VCE is misconceived and fatally flawed.

I am concerned that we will see a repeat of the disaster of the 1980s.

When the Board of Studies was introduced in 1993 the then opposition said:

The bill stands condemned because of its failure to identify the interests that will be represented on the board ... we should not lose sight of the fact that the bill will give the minister of the day enormous powers.

The Labor Party had the opportunity to put its rhetoric into practice but it failed.

Clause 9(1) of the Victorian Curriculum and Assessment Authority Bill provides that one member of the authority must be the secretary to the department, one must be the chairperson of the Victorian Qualifications Authority and the remaining members must be appointed by the Governor in Council on the nomination of the minister. Subclause (2) provides that the Governor in Council must appoint as chairperson of the authority the member of the authority nominated by the minister to be chairperson of the authority.

Finally, clause 12(2) provides that:

The executive committee consists of the chairperson of the Authority, the Chief Executive Officer of the Authority and 3 other members nominated by the Minister.

My concern is that the Labor Party will politicise both groups to push its own agenda to the detriment of all Victorian students.

Mr MAXFIELD (Narracan) — I will speak briefly on the bill, given the lateness of the hour. I support the Victorian Qualifications Authority Bill and the Victorian Curriculum and Assessment Authority Bill. The bills are an indication of the direction in which the government intends to go in providing for the future educational needs of Victoria's children and adults as they go through their lives.

I have changed careers a number of times during my working life and as a result my training needs have changed. That pattern is often repeated in today's society of changing technologies and industries. As a result the government must ensure that all Victoria's schools and colleges of technical and further education (TAFE) reflect the modern needs of our modern society.

I was a product of the TAFE system. I noted during the Kennett years that the TAFE system in Gippsland was allowed to run down badly, and it has been a great pleasure to me to see over the past few months \$10 million injected by the Bracks government into the Central Gippsland Institute of TAFE. I place on record my appreciation of the wonderful work the Minister for Post Compulsory Education, Training and Employment has done in supporting TAFE not only in my area of Gippsland but also across the whole state.

Honourable members have spoken about the inclusion of vocational education and training (VET) programs within Victorian certificate of education programs in our secondary schools. It is important to have the ability to work together to integrate appropriately the different forms of educational programs available throughout the state. With those brief comments, I commend the bill to the house.

Mrs PEULICH (Bentleigh) — It is a shame that a debate as important as this on the education bills has to be crammed into a very short period. The house does not often see education legislation, and it does not serve the community well to truncate debate on such bills. Education is an important issue for most, if not all, electorates, and I would have thought that more than 5 minutes per contribution would have been desirable in the interests of serving not only our own constituencies but also the broader community.

When the Bracks government came to office, what was left of its educational agenda following its ritual backflips, reversals and backdowns? The reality is that very little was left. The government had an educational void that it had to fill. A government with an educational void needs to fill it with an educational agenda, and if a government does not have one it must conduct a review. Victoria had several.

Whenever I think of the Bracks Labor government's educational agenda following the ritual reversals, backdowns and backflips I think of T. S. Eliot's poem, *The Hollow Men*. From memory, the refrain goes something like this:

We are the hollow men
We are the stuffed men
Leaning together
Their heads filled with straw ...

When a government's head is filled with straw and it needs some ideas to create a vision, it conducts things like the reviews Victoria has seen — the public education review, the ministerial review of post-compulsory education and training pathways, the Schofield review, and some 300-odd reviews in various other areas of government endeavour.

Consequently, we have had two competing educational agendas and visions struggling to emerge. They are a reflection of the preoccupations and characters of the two ministers responsible for education. Educational reform emerging under the Bracks government is a reflection of the style of the two ministers; it is almost a confusion or orgy of the two ideals. The junior education minister has lost control of various aspects of the Victorian certificate of education and is obsessed with presentation and public relations, not with what things mean.

I read a speech of the Minister for Education recently delivered to an education forum. I invite honourable members to read it because it is totally incoherent. It is educational existentialism: it sounds good, but nobody knows what it means. Anybody looking for entertainment should read the speech; it is inconsistent, with a self-conscious style. It is more focused on the use and craftsmanship of words than on what they mean.

However, the Minister for Post Compulsory Education, Training and Employment comes from a school — and this is not a personal attack — based on the community services or social welfare sector. Her metaphors are emerging, thereby establishing two competing cultures, and I am not sure how they will mesh.

The social worker culture is seen in the emergence of certain words in the educational agenda. They include 'local networks' and 'linkages' — that is very much health community services-type jargon; 'student advocates' — they used to be known as mentors; 'service agreements' and 'case management' — they are concepts keyed to the social welfare profession; and 'management of individual pathways' and 'seamlessness' are other expressions used.

What the establishment of additional quangos, the redefinition of their respective roles and certainly a lot of fragmentation and confusion will mean to education is anybody's guess. As is usual in Labor Party politics

and government, there is an enormous amount of cross-fertilisation of membership; people sit on each other's committees. It is a culture of the social workers. Invariably it means more bureaucracy, more mates being appointed to positions, and more dollars being spent.

On many occasions the junior education minister has criticised the former Kennett government for spending less than other states in per student expenditure, but she fails to acknowledge that that is so because Victoria had the smallest bureaucracy. It is misleading talk, because the trend under the Labor Party will lead to increases in expenditure. But whether it will mean expenditure on things that will directly benefit students is anybody's guess. After seeing the new funding for global budgets, it will mean very little and schools will be hard done by.

In the education portfolio two competing cultures have emerged. The Premier knows something about education, and people like him who have oversight of the portfolio provide an occasional reality check. I recommend a reading of the Premier's speech on education. It may not say much, but at least it is a coherent educational framework and shows some understanding of the issues. He is quite game and establishes goals, except that the goals are beyond the next election, if not the election beyond that. There is little sense of this government being elected to office and being accountable for those goals.

They are humble and limited goals — for instance, that by 2005 Victoria will be at or above national average benchmark levels for literacy and numeracy, as they apply to primary school students. Has Victoria not even gone beyond that, to focus on what literacy means to secondary school students? Literacy does not stop at the primary school gate. We must reinvigorate the notion of what literacy means and how it can be made accessible to students so they do not become disconnected from their school communities. Even those who may lack a sense of belonging, either in their communities or schools, should be able to have productive lives.

I am being wound up, and I recognise that this has been a truncated debate. What will it mean? The funding of centralism; the movement away from self-management; an increase in fragmentation; and the setting of modest, low-level goals with dates well beyond the next election. I challenge the Premier: 'Don't be shy, be daring. Set yourself at least triennial, if not annual, goals'.

Mr STENSHOLT (Burwood) — I join the debate on the Victorian Curriculum and Assessment Authority Bill and the Victorian Qualifications Authority Bill. It was very apt of the honourable member for Bentleigh to quote from T. S. Eliot because indeed we had a Waste Land in Victoria. That is what the government was left with at the schools and the post-secondary level. There was no mistake about it; the education system was systematically run down with 300 schools closed, 9000 teachers lost and retention rates down.

These bills set about reforming that situation. Indeed with the very long list of actions outlined in the budget of the Bracks Labor government these bills restore education in Victoria to its pride of place as a leader in Australia under the reforming ministers. I commend the bills to the house.

Mr ASHLEY (Bayswater) — It is a pleasure to join the debate. While I certainly do not wish to hold up the progress of the bills, I am concerned about the creation of unnecessary cumbersomeness in the formation of the new bodies.

I draw the minister's attention to some developments in recent times in Scotland. In 1999 a new system of courses and qualifications was introduced for students at secondary school level. The new system brought subjects traditionally thought of as academic — like history and mathematics — together with those traditionally thought of as more practical and perhaps vocational — such as home economics, travel, tourism and, strangely enough, engineering, which was lumped in with the list.

The new courses and qualifications were to replace the equivalent of the Victorian certificate of education and what the Scots call O levels and Highers. They coined a phrase to say that their new courses would be 'Higher Still'. They were endeavouring to blend the courses into what happened beyond post-compulsory schooling. They did not have to create a new body as we have done in Victoria. I have no problems with the creation of the Victorian Curriculum and Assessment Authority because it deals with education issues at the primary and secondary school level.

In Scotland at senior secondary level the task transfers to the Scottish Qualifications Authority. That organisation was set up in about 1998 from the Scottish vocational educational council. A lot of the work and inspiration behind the Victorian Qualifications Authority is grounded in the Scottish Qualifications Authority. The tasks of that organisation mirror those of the Victorian Qualifications Authority. However, it is

able through the work it does to create upwards of 30 000 modules or combinations of modules that allow qualifications to be put together in all sorts of extraordinary ways so outcomes are much more built on modules than on courses. I commend to the minister building outcomes or qualifications not so much on courses but on the putting together of modules, which may not necessarily sit well together.

The ACTING SPEAKER (Mr Plowman) — Order! The time has come to interrupt government business.

Sitting continued on motion of Ms KOSKY (Minister for Post Compulsory Education, Training and Employment).

Mr ASHLEY (Bayswater) — I was commending to the minister the Scottish Qualifications Authority approach to developing outcomes based around putting course modules together rather than having static courses. That allows for maximisation of flexibility rather than an approach that perhaps becomes tied down and inflexible.

In so doing I suggest again that the approach taken by the Scottish Qualifications Authority — in pulling in many of the functions that are given over to other Victorian organisations — should be taken on board. I do not think more is needed than for the Victorian Qualifications Authority and the organisations responsible for learning and employment education to be pulled together under two authorities, one of which will target the secondary area and one of which will target the post-compulsory area. Perhaps one day it will reach that point.

Although there is much more I should like to say on the subject, I imagine I shall have to quit the debate.

Ms BEATTIE (Tullamarine) — What a great week it has been for education in Victoria! The legislation introduces important changes that will better accommodate the changing needs of Victorians, because learning becomes increasingly important throughout one's life. No longer can people expect that their school or immediate post-school qualification will serve them in an economy and society that are changing at a pace never before seen. The challenges of globalisation will increasingly mean people will need new skills and knowledge throughout their working lives. The complexity of society and changing patterns of community and civic relationships and structures also mean that continuing to learn and acquire new knowledge and skills will better equip a person for an informed involvement in society and a richer, more useful life.

All honourable members know that their grandmothers and grandfathers said to them, 'If you get a job in the public service or in a bank you will have a job for life'. They also all know that is no longer true and we all must accommodate lifelong learning. I could go on for the full 20 minutes but I know the honourable member for Glen Waverley is eager to speak on the bill. I commend the bill to the house.

Mr SMITH (Glen Waverley) — I defer to my learned friend from Tullamarine over in the corner. Debate on the bill has been protracted, so I will make just a few points.

I have watched the way education has gone in Victoria, from the days of the old Victorian Curriculum and Assessment Board under Dick Tischer and Howard Kelly, to the appointment of Professor Sam Ball as the chair of the Board of Studies. All of them were distinguished people. Dick Tischer and I were members of the same Rotary Club at Mulgrave, so I know the quality of the people who have served the state throughout the history of this area. What the bill does in creating the Victorian Curriculum and Assessment Authority is just again changing the name on the door.

It is an attempt by the government to put in its own person and set its own political agenda. That is the prerogative of any incoming government, but let us hear no more claptrap about the top-of-the-line direction in which education is heading. We need to ensure we have rigorous educational programs and a high-quality curriculum so that people in the community know that educational standards are being improved. That is what this should be about.

As yet, no announcements have been made about who will take over the new board. Unless it is carefully monitored, the old standards of mediocrity will become the order of the day.

Honourable members will soon hear from the minister, who is chafing at the bit. No doubt she will say how wonderfully the government will implement the changes. However, real attempts must be made to push up education standards — at the top level as well as at the bottom. The education system needs teachers from primary school through to secondary school who are motivated to ensure we have an education system that is second to none. The British Prime Minister, Tony Blair, has been through the same process. His government recently sacked Chris Woodhead, and we have seen other educational gurus come and go. However, as I said, we need to ensure that we set up an education system that is second to none.

I pay tribute to Sam Ball, who, as I said, was the chairman of the Board of Studies for a number of years during the time of the Kennett government. Sam, who was a few years ahead of me at teachers college, is a very successful fellow. He trained as a primary teacher, put himself through night-time university courses and eventually went to work in America, where he did well financially. When he came back he took over the education professorship at Sydney University and ultimately took on the chairmanship of the Board of Studies.

Under Sam Ball and the staff he chose the Victorian education system started to work well. I am not saying it was second to none — those of us who were teachers all know it was not — but we all know the system worked well with the help of people such as Professor Tischer and Howard Kelly and others like them.

Ms Kosky interjected.

Mr SMITH — I am aware of that. The next chairman will be an extremely important appointment. The government must ensure that all our kids — including my nine-year-old, who is attending a state school — are able to learn in a system that has leadership at the top and a high-quality curriculum to go with it. We need a system that will continue to push up standards in education.

Ms KOSKY (Minister for Post Compulsory Education, Training and Employment) — In also summing up on behalf of Minister Delahunty I will reiterate the key reasons for the changes. The establishment of a single qualifications authority to cover post-compulsory education as well as training and further education is a response to the current situation, which is far from perfect. It could be said that the current arrangements work against maximising opportunities for people to obtain quality qualifications throughout their lives and for those qualifications to be linked and transferable.

The establishment of the Victorian Qualifications Authority will mean there is an honest broker that looks at the whole education landscape and not just at a particular sectoral interest. It will make links between qualifications and ensure they are made public and accessible. The authority will enable government to utilise rather than ignore or resist the emergence of the qualifications market. It will drive better a quality assurance system that is broadly defined not just by academic standards but by outcomes.

The authority will ensure that a wide range of linked and quality-assured qualifications is made available at

the post-compulsory level and that information about those courses is provided to the people of Victoria.

Reformatting the State Training Board to become the Victorian Learning and Employment Skills Commission, which will provide policy advice and direction to the government on post-compulsory education, training and employment, is a vital part of the government's strategy to improve education and training outcomes for Victoria. The establishment of the new commission reflects the need for stronger policy and planning advice in that area and will bring industry, education, training and employment more closely together. The establishment of the Victorian Curriculum and Assessment Authority will focus on high-quality content and course standards.

In summing up, I thank honourable members who have contributed to the debate: the honourable members for Hawthorn, Shepparton, Footscray, Warrandyte, Seymour, Bulleen, Narracan, Bennettswood, Bentleigh, Burwood, Bayswater, Tullamarine and Glen Waverley. I thank them for their thorough contributions, which have been particularly helpful.

I take the opportunity to thank members of both review panels. Peter Kirby provided fantastic leadership. I thank Jack Keating, Maurice Curwood, Graeme Paynter, Dahle Suggett, Dianne Joseph and Jennifer Quick, who were members of the Kirby review, for their detailed and thoughtful work.

I also thank Lyndsay Connors for her wisdom and leadership, and I thank all the members of the public education and next generation committee for their dedication, wisdom and work.

I particularly thank Howard Kelly — he has been thanked by many in the house tonight — and his team for their thorough work and perseverance and their commitment to the issue and to making sure young Victorians get a fair go.

I thank Bill Griffiths and his team for their dedicated work. I also thank the chair of the Victorian Board of Studies, Kwong Le Dow, and board members; the chair of the State Training Board, Ross Oakley, and board members; and the chair of the Adult, Community and Further Education board, Shirley Martin, and board members for their thoroughness in considering the issues contained in the Kirby report and in this legislation and for their preparedness to take on the challenge rather than just sitting back in silence. They have been great champions of the push for pathways and articulation through the education and training systems.

I also thank Jen McKinley from my office, who has worked in great detail on the legislation; Geoff Emmett from the office of the Minister for Education; and officers of the Department of Education, Employment and Training, particularly the legal officers. It has been a long process. There has been considerable consultation, and the people involved in the work that has resulted in the bill have been prepared to put their own areas of interest on hold to consider the interests of young Victorians. I thank them very much for that and for their commitment. The result of their work is the legislation before the house. I wish the bill a speedy passage through the upper house.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

Remaining business postponed on motion of Ms KOSKY (Minister for Post Secondary Education, Training and Employment).

ADJOURNMENT

Ms KOSKY (Minister for Post Compulsory Education, Training and Employment) — I move:

That the house do now adjourn.

Erskine House, Lorne

Mr MULDER (Polwarth) — I call on the Minister for Environment and Conservation to ensure that the lease for Erskine House in Lorne, which is being transferred from the Department of Treasury and Finance to the Department of Environment and Conservation, be transferred to the Lorne foreshore committee of management. The Erskine House project has been the subject of considerable discussion and debate in the Lorne area.

The matter underwent a planning appeals process. The action group that pursued a particular line with Erskine House has now withdrawn its appeal and the lease transfer will proceed. It involves a considerable amount of money. The lease is worth \$170 000 per annum over three years. A \$1 million payment was made in quarterly instalments to the Minister for Finance. I am not sure at this point where that \$1 million has found its way to, but at the end of the three years the value of the Erskine House lease will be of the order of \$500 000 per annum.

The Lorne foreshore committee has a set precedent in that it receives income from all commercial activities that take place on the Lorne foreshore. It stands to reason that it claims that all moneys received from the Erskine House lease should become its property. The committee is currently undertaking considerable works on the foreshore, and there is a shortfall of somewhere in the order of \$2 million for the work it has to do. The caravan parks, roads, public toilet facilities and so forth are in urgent need of upgrading to bring Lorne into line with other tourist resorts.

Lorne is a premium tourist resort. It attracts many people in the summertime and is visited by many celebrities, including top swimmers. I believe the Premier swam there last year, only to be flogged and cleaned up by the honourable member for Hawthorn. Nevertheless, he may make a return — and he may, I believe, suffer the same fate.

I call on the minister to act to ensure that the people of Lorne get the full benefit of what will eventually be \$500 000 per annum from the lease of Erskine House.

Tourism: nature based

Mr HOWARD (Ballarat East) — I seek advice from the Minister for Major Projects and Tourism about activities that can be undertaken in Victoria to capitalise on the growing interest in nature-based tourism. As honourable members would know, tourism is one of the largest and fastest-growing areas of employment in Victoria. It provides as many employment opportunities in regional Victoria as it does in the Melbourne metropolitan area.

In addition there is a rising demand to experience nature-based opportunities where visitors can step out and appreciate the natural landscapes of Australia and the bird, animal and plant life in a range of areas. Certainly Victoria has a great range of experiences to offer.

My own electorate of Ballarat East encompasses the Wombat forest, the areas around Hepburn Springs and Daylesford, and ranges south to Enfield Forest and the Anakie Ranges area in the south-east. They are all terrific places to spend time. In my role as the chairman of the state's tracks and trails committee I appreciate the fact that more tourists want to be able to walk or cycle in areas that provide special opportunities to appreciate the natural scenes around them. Victoria has a wealth of attractions and it is a matter of building on those to make the best use of opportunities that, as I have said, clearly benefit wide areas of regional Victoria as well as Melbourne.

The ACTING SPEAKER (Mr Kilgour) — Order! The honourable member must ask for some action from the minister.

Mr HOWARD — In my opening remarks I asked the minister for advice on what is happening to develop opportunities — —

The ACTING SPEAKER (Mr Kilgour) — Order! The honourable member simply asked for advice. He should ask for some action to be taken. I invite him to rephrase his request.

Mr HOWARD — Thank you for your advice, Mr Acting Speaker. I ask the minister to take action to ensure opportunities are maximised for nature-based tourism throughout the state that will benefit people in regional Victoria.

Echuca Secondary College

Mr MAUGHAN (Rodney) — The Minister for Education will be aware that for some time the two state secondary colleges in Echuca have been considering restructuring possibilities. After two years of debate, examination and discussion with the community by two broadly based committees appointed by the Department of Education, Employment and Training, a recommendation was made to the department that for the sake of students now and particularly in the future improved school provision should take place at the earliest possible time, including consolidated VCE (Victorian certificate of education) delivery.

That recommendation was rejected by the acting regional manager on the basis that the high school council had rejected the recommendation by nine votes to four. The minister then argued that there was no consensus, despite the fact that she has consistently refused to defy what she means by 'consensus'.

Despite the secondary college being extremely disappointed that the minister has rejected the unanimous recommendation of the two department-appointed advisory committees, and given the view of the Campaspe Shire Council in favour of the nine-to-four vote by the high school council, it wishes to move on.

The college was built some 20 years ago as a technical school — one of the largest school sites in the state. The buildings were designed to accommodate 750 students but the current enrolment is 500 students. It is well over entitlement but it will never reach the 750 that is required to be a stand-alone school. The problem has recently been compounded by the fact that the

Bendigo Regional Institute of TAFE will be vacating the site for new premises in central Echuca. Over the past four years the school estimates that it has been about \$180 000 short of what is required for adequate maintenance. The buildings are starting to deteriorate, and health and safety issues are starting to emerge.

Given that the government has rejected the notion of VCE students being on one site, I seek the minister's support for the \$180 000 necessary to maintain Echuca Secondary College buildings in good order and repair.

Children: foster care

Mr SEITZ (Keilor) — I raise for the attention of the Minister for Community Services a matter concerning the Foster Care Association of Victoria. The foster care association and people familiar with foster care will know there are concerns about the health care card for children in foster care. In 1998 the federal Minister for Family and Community Services, Senator Newman, announced that effective from July 1999 foster care children would be eligible for the health care card, which would be in the child's name and would move with the child in the care system.

There are two provisions that apply. The first is that the child's family of origin must be eligible for a health care card. Secondly, the foster family must qualify for the family allowance. Those two provisions effectively eliminate many children who otherwise would be eligible for health care cards. Anyone who knows anything about foster care recognises that it is difficult to find foster care, particularly in the western suburbs. There are difficulties finding people to volunteer their houses and participate in the scheme, and if extra costs are involved it will be even harder to find volunteers.

Foster care is mainly a state responsibility. I ask the minister to take up this matter with her federal counterpart and to remove those provisions, because they imply that children in foster care are generally people on welfare. That is a wrong assumption made by the federal government. It is not only poor people who abuse their children.

Although the assumption is that many working-class people who are unfortunate enough to be on welfare payments abuse their children, the Foster Care Association of Victoria has said that children from all walks of life and from all sorts of families are abused. They are abused in families that are not eligible for welfare payments such as the family allowance or the single parent support pension, or whatever one may want to call them. It is a misnomer to refer to them as

anything other than welfare payments, because that is what they are.

I urge the minister to take this matter up with the federal government.

Disability services: Cranbourne

Mr ROWE (Cranbourne) — I ask the Minister for Health to consider allocating additional funding to the Cranbourne Integrated Care Centre for the provision of paediatric physiotherapy services. As the house may or may not be aware I am on the board of the Bialla Group in Cranbourne, which provides early intervention services for babies up to preschool age. The group provides speech therapy, physiotherapy and other services for young children.

Recently a case was brought to my attention involving an eight-year-old boy in my electorate who is in need of remedial physiotherapy because of his disability. After inquiries were made of the executive body of the Bialla Group, it was revealed that the group does not receive funding to provide services to anyone beyond preschool age. After further inquiries were made of the Yooralla Society of Victoria it was revealed that that organisation was not funded to a sufficient level to provide services to the people of Cranbourne. I then approached the Cranbourne Integrated Care Centre, which advised me that that centre has a physiotherapist for older people but that the Southern Health Care Network does not provide additional funding for the centre to provide paediatric physiotherapy.

I am advised by the parents of the boy that he suffers from cerebral palsy, and that although many other children in the area who suffer from disabilities require similar services funding, is not available. I ask the minister to investigate the matter and, if possible, make the funds available to the Southern Health Care Network and the Cranbourne Integrated Care Centre to provide those services.

Bendigo: health services

Ms ALLAN (Bendigo East) — I raise for the attention of the Minister for Health the question of what action he, together with the department and the community of Bendigo, has taken to rebuild health services in the Bendigo region following the downturn in health services that occurred during the seven years in office of the former Kennett government. The former government adopted something akin to a pub-with-no-beer approach to health services, particularly those in country Victoria.

The former government erected buildings and spent money on infrastructure but decided to cut funds to health services and slashed large numbers of staff. Unfortunately that resulted in the region having buildings that accommodated no staff and provided no services. Many communities throughout country Victoria suffered from that approach for seven years.

I refer the minister in particular to the provision of dental services in the Bendigo region. Under the former government dental services were transferred from the Bendigo Community Health Centre in Eaglehawk to the Bendigo Health Care Group in the centre of Bendigo. The reason for the closure of that vital service to the community of Eaglehawk was that the former government did not provide enough funding for dental services within the community health centre system. A number of pressures were brought to bear by the former government because of its lack of funding and its slash-and-burn approach towards community health centres.

I congratulate the Minister for Health on his recent announcement of increased funding of \$10 million for community health centres across the state. That is desperately needed for many such centres, particularly the Bendigo Community Health Centre in Eaglehawk.

I am pleased that the Minister for Health will open the new dental clinic in Bendigo next week. It is a timely visit that follows on the heels of his visit to Bendigo a month ago to launch the new air ambulance service that will cover the Hume region. It is another important government initiative that the opposition parties, particularly the National Party, have chosen to knock. That is hypocritical when one considers the previous government's legacy: it closed 12 hospitals, slashed millions of dollars from other hospitals and cut staff numbers.

The ACTING SPEAKER (Mr Kilgour) — Order! Has the honourable member asked for action to be taken?

Ms ALLAN — I have asked what action the minister is taking in rebuilding health services in the Bendigo region. An honourable member for North Western Province in another place, Mr Best, is one member who has been vocal in his criticism of the air ambulance service. Considering that he wanted to close the hospital in Dunolly — —

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

Minister for Police and Emergency Services: correspondence

Mrs FYFFE (Evelyn) — My request for action is directed to the Minister for Police and Emergency Services. On 24 June Mr Gilbert Ilke was going about his lawful business as postmaster at the Warburton post office when he was confronted by a gunman and robbed. In the ensuing struggle Mr Ilke was severely wounded. He is lucky to be alive because the bullet missed his heart by a millimetre.

He was flown to the Alfred hospital by helicopter and for a few days was not expected to live. Luckily Mr Ilke survived the attack, and during the weeks that passed he spent time talking to the police. During the conversations he discovered that in six raids on homes looking for the suspect the police had found nine hand guns.

Mr Ilke followed up the matter of sentencing for the offence of illegal possession of a hand gun. He became concerned that there seemed to be leniency in the sentences handed down and the way the prosecution of people illegally possessing hand guns was handled. He wrote in good faith to the Attorney-General about this matter. On 24 June he was injured, and on 12 July he wrote to the Attorney-General. On 3 August, Mr Greg Byrne responded on behalf of the Attorney-General to the serious request for consideration of the points Mr Ilke was raising. Mr Byrne said that the matter:

... falls within the responsibilities of the ... Minister for Police and Emergency Services. As such I have taken the liberty of forwarding your correspondence to the minister for his consideration ...

Today is 22 November and Mr Ilke has not received an acknowledgment of his request for action. He has not received a letter and is not asking for funding. If the minister cannot afford a stamp I would gladly give him the 45 cents for one. It is appalling that someone who has suffered such injury is treated in such a callous way by the Minister for Police and Emergency Services. If he does not have time to answer his correspondence he should not be the minister. I urge him to answer the letter.

Industrial relations: couriers

Mr HOLDING (Springvale) — The matter I raise with the Minister for Local Government for the attention of the Minister for Industrial Relations in another place concerns the courier industry. The action I seek is to ensure that exploitation within the industry does not continue. I have received correspondence from a constituent who details some of the practices in the

courier industry. I am happy to make available to honourable members the correspondence and also the contract my constituent was able to provide me with.

I shall detail to the house some of the experiences my constituent had when attempting to enter the industry. The constituent responded to an advertisement in the *Herald Sun* that offered high financial returns to applicants. The applicant sought an interview with the firm's recruiting and training officer and was advised that he would require a 1-tonne van that was white in colour and no older than four years. His earnings would be around \$1000 a week gross and the company would take a commission on the earnings of 37 per cent if the applicant was an individual contractor or 32.5 per cent if incorporated. A fee of \$50 a month was payable to cover rental of the communications system. If he left the company or the contract was terminated within 12 months he would be required to pay the company an exit fee in the region of \$800. It would take some six or seven weeks before the estimated gross income was achieved.

The applicant detailed his experience on the first day in the job, which I will read for the benefit of honourable members:

On 11 August 1999 I commenced my first day with the company ... My first job was to deliver stationery throughout the Melbourne central business district and south-eastern suburbs. The run took about 8 hours for which I grossed approximately \$110. Subtracting the company's commission of 37 per cent I was left with \$69.30 pre-tax. After tax I netted the sum of \$55. Out of this I had to subtract all running cost for my vehicle which I estimate to be \$15. All in all I netted \$40.

In fairness to the company I got an emergency job just [as] I was about to cease work. It was an urgent dispatch from two branches of the Colonial Bank to Melbourne. It paid \$30 gross and took 2 hours in heavy traffic. For this I netted \$18.90. Subtract tax and I took home \$15.12. I worked 12 hours that day for a total \$70.12 with approximate running costs of \$15 plus. My net for the 12-hour day was \$55.12 and I had worked non-stop through the day. Under no circumstances could I have made more money.

I seek action from the minister to ensure that the industry is examined and its exploitative practices addressed and overcome. Occupational health and safety issues and road safety issues referred to by my constituent — —

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

Hospitals: waiting lists

Mr SMITH (Glen Waverley) — I refer the Minister for Health to a constituent of mine who has been

waiting 12 months for a hip replacement operation. I have received a letter from Mr Rod Hoath of Rembrandt Drive, Wheelers Hill, concerning his mother, Mrs Joyce Hoath. Mrs Hoath has severe osteoarthritis, limited mobility and takes strong pain-killers because of constant pain.

When I telephoned this afternoon to follow up the letter I spoke to Mrs Hoath. She is a British migrant who has been in Australia all her married life. She has paid taxes, her son has a good job and she is desperate. She told me she was taking antidepressants and felt that she was a burden on society. She asked if I would act to ensure that she had a better quality of life.

The operation is simple. Mrs Hoath joined a private health fund in June because of the reduction in tariffs, but because her condition was pre-existing she is unable to have a hip replacement operation as a private patient.

I call on the Minister for Health to engage some of his services to ensure that Mrs Hoath and people like her are able to have the operations they require. Her general practitioner, Mr Uday Dixit, and the orthopaedic surgeon, Mr Stephen McMahon, are concerned about the time she has been waiting. Although both are aware of the prioritising of patients they both believe her health has deteriorated and her situation requires urgent attention.

In the time the government has been in power, waiting lists have blown out, particularly for elective surgery. The minister should make a commitment. I will ensure that Mrs Hoath's case is prioritised so far as the media is concerned. She feels she may as well be dead because her lifestyle has disappeared. Mrs Hoath asks the minister to do something to help her so that her life can be improved.

Wyndham: Premier's award

Ms GILLETT (Werribee) — I raise a matter for the attention of the Premier, who will be aware that on 20 October the Wyndham City Council was awarded a category B prize in the Premier's awards for continuous improvement in local government. That good Labor council delivers good results for a good Labor community.

Category B relates to specific functional areas, and in this case it was awarded to Wyndham council's business arm, Wyncare, in recognition of the continuous improvements to health and safety in its community care and asset management services units.

Wyncare's health and safety management system is driven by highly motivated staff and has achieved enormous cultural change within the organisation. It needed to. The system is based on input and strong ownership at the service unit level and highlights self-responsibility for health and wellbeing. Each unit has developed its own systems, check lists and solutions for controlling hazards and risks. This approach has successfully led to a reduction in time lost due to work-related injuries.

In particular, thanks and congratulations are extended for the excellent work of Mark Doering, from asset management services, Christine Mathieson, from home care, and Helen Rowe, the project officer.

The action I seek from the Premier is that he continue to be aware of the marvellous work done by the Wyndham City Council and that he continue to hold the council in enormous esteem for the great work it has done in the area of human services and care, which is important to a growing community.

Honourable members interjecting.

Ms GILLETT — The action required is that the Wyndham City Council, a great Labor council, continues to be held in esteem by the Premier, and that his awareness of the council's fabulous efforts in caring for its community continue to be acknowledged and rewarded.

The ACTING SPEAKER (Mr Kilgour) — Order! The honourable member for Bentleigh has 1 minute.

Police: Bentleigh

Mrs PEULICH (Bentleigh) — I raise with the Minister for Police and Emergency Services yet another law and order concern in the Bentleigh district. The area has seen the unprecedented action of a public meeting being called by concerned residents and local police. It was held tonight at the Moorabbin police complex at 7.30. Interestingly one of the instigators of the public meeting was Greg Alabaster, the former campaign manager for Robyn McLeod, the Labor candidate for Mordialloc.

I ask the minister not to continue disregarding my pleas for assistance with issues of law and order and to release the local crime statistics so that either I can appease the community or he can take some action, which so far he has failed to do.

Responses

Mr PANDAZOPOULOS (Minister for Major Projects and Tourism) — The honourable member for Ballarat East asked what the government is doing to promote nature-based tourism. As someone in an electorate that represents a fantastic part of Victoria, with so many nature-based tourism opportunities, he obviously has a keen interest. The honourable member is also the Parliamentary Secretary for Natural Resources and Environment.

The government is conscious of the need to develop its tourism policy to take account of the fact that one of the key reasons for travel to regional Victoria is to see natural attractions, whether they be national parks, lakes, rivers, waterways or oceans. However, a part is missing from the Victorian tourism picture, so the government is keen to develop a nature-based tourism plan.

Victoria has 38 national parks, 3 wilderness parks, 32 state parks, and several hundred other parks and Crown reserves, and proposals for marine parks have been supported by the tourism industry.

The nature-based tourism plan is not only important for domestic visitors from around Australia, or the intrastate market, but also important internationally. International visitors are increasingly keen to see the natural attractions as part of the experience of their visits. As the economies of Asian markets are bouncing back, visitors from Asia are keen to see the greenery of Australia — and Victoria is known as the green part of Australia.

Developing a nature-based tourism plan is not only a good idea but it is also about good economics, about growing tourism into regions and growing jobs and opportunities in country and regional Victoria. Early this year, as part of government policy, Tourism Victoria began a process of consultations with the tourism industry to prepare a nature-based tourism plan. Various workshops were held around the state, including an adventure tourism workshop at Mount Buffalo. The Minister for Environment and Conservation attended the recent Ecotourism Association of Australia conference that was held at both Lorne and Phillip Island and on my behalf launched the nature-based tourism plan.

I will quickly refer to some recommendations in the plan. It is the first time Victoria has had a nature-based tourism plan and it is based on a whole-of-government view. It is not just Tourism Victoria's view but the view of Parks Victoria and the Department of Natural

Resources and Environment. The key recommendations include: branding and promotional material to increase awareness of Victoria's adventure and nature-based tourism opportunities; increased and improved facilities at key natural attractions; developing flagship walks linked to accommodation and services at strategic locations such as East Gippsland or the Great Ocean Road; facilitating the development of wilderness lodges at appropriate locations such as the Otways and the high country; researching and monitoring visitor impact on Victoria's natural assets; and developing strategies to best manage tour operator licences on Crown land to minimise environmental harm.

The government will implement the plan across a range of government agencies. It will grow visits to country and regional Victoria, at the same time looking after and balancing the needs of the environment. Any additional growth in tourism at natural attractions has to have an impact and needs to be thought through appropriately. With the appropriate plan and support the state can grow nature-based tourism.

I thank the honourable member for Ballarat East for his interest in the area and his ongoing work as Parliamentary Secretary for Natural Resources and Environment.

Mr CAMERON (Minister for Local Government) — I will refer the matter raised by the honourable member for Springvale to the minister in another place. There is a great deal of concern within the industry referred to by the honourable member, especially among people who basically find themselves in a bad way when it comes to their working conditions and the amount of money they are able to take home each week.

Honourable members may be aware that the Fair Employment Bill will address a great deal of that. No doubt that is why the bill is supported so broadly across Victoria, including by leading employer groups such as the Victorian Automobile Chamber of Commerce, the Victorian Road Transport Association, the Housing Industry Association and the Master Builders Association of Victoria.

Last night a meeting held by a group that calls itself the national independent carriers association was addressed by the honourable member for Mordialloc. Effectively, he told the group that he wanted to see what mischief they were capable of because the Liberal Party had not yet made up its mind about the bill in the upper house. In other words, he told the group that it had to go out and make a great deal of mischief because the Liberal

Party had not got the courage of its convictions to stand up and simply oppose the bill. Rather, he demonstrated yet again that the Liberal Party is weak and reactive.

Certainly when one considers the group's political strategy — —

Mr Smith interjected.

Mr CAMERON — It is interesting that the honourable member for Glen Waverley should arc up, because one of the speakers at the meeting of the group was Dan Feldman, a prominent member of the Liberal Party. Mr Feldman worked as an adviser to a former Minister for Education, the Honourable Phil Gude, and as the honourable member for Glen Waverley knows, has been lined him up to oust him from his seat.

The group is being used as a front to run a political campaign and to say things members of the Liberal Party are not prepared to say themselves.

Mr THWAITES (Minister for Health) — The honourable member for Cranbourne raised the issue of the additional funding he seeks for the Cranbourne Integrated Care Centre for remedial physiotherapy for children who are beyond preschool age. I am prepared to review the issue. In a general sense, this year some \$10 million more is available for community health. The provision of early intervention and remedial care at early age is very appropriate. It is money well spent because it can prevent problems arising later in life. I am prepared to look at the details of the matter and at any information the honourable member wishes to provide.

The honourable member for Glen Waverley raised the issue of Mrs Joyce Hoath, who has been on a waiting list for 12 months awaiting a hip replacement that is required because of osteoarthritis. It is always a matter of concern when people have to wait for long periods. While everyone would like shorter waiting times, I point out that 12 months is not an extraordinarily long wait given the standards that prevailed during the past seven years or so.

In the past year the government has put \$176 million in additional funds into the health system. It is now addressing probably the biggest issue in provision of services — that is, providing the nurses needed to staff the beds. The government wants to employ an extra 1200 to 1300 nurses. I should say that under the previous government many beds were closed because of lack of nursing staff and it is a huge task to attract nurses back into the system so that beds can be opened and more people can be treated.

The honourable member for Bendigo East raised a number of issues surrounding the general state of health services in Bendigo. She referred to the fact that prior to the previous election some buildings in Bendigo did not have sufficient staff to provide services. She described them somewhat colourfully as being like a pub with no beer.

One of the core problems experienced by the Kennett government was a lack of staff to service beds and provide other services across the system. The government has made major additions to health services in Bendigo and is building up services to provide a better health system for its citizens Bendigo. I am pleased that I will shortly be able to launch a new radiotherapy service when I attend the turning of the first sod for a \$10 million project the government is undertaking.

I acknowledge the work of the honourable member for Bendigo East as the chair of my ministerial advisory committee on rural health. She more than most in this place has been actively promoting and championing the needs of country Victorians, particularly with regard to health care. Her work is one of the reasons Bendigo is now in a much better position on health care. In the recent budget, some \$4.9 million of extra funds was allocated to the Bendigo hospital and some \$750 000 for accident and emergency.

In country areas health goes beyond the hospital to post-acute care. Bendigo is to be the fund holder of the post-acute program, which received nearly \$1 million. The Bracks government extended that great program across the state. The government has incurred significant additional financial expenditure to keep people out of hospital and to ensure that when they leave hospital they are cared for rather than being simply dumped at home without adequate support. One of my initial developments was to put a program into Mildura. The honourable member for Mildura was happy about that. My colleague the Minister for Aged Care is supportive of Bendigo and is providing 60 new, public nursing home beds, which is a very important contribution.

An honourable member interjected.

Mr THWAITES — The honourable member for Rodney raises the important issue of mental health. The honourable member for Bendigo referred to the dual diagnosis of people having a mental health problem and an alcohol or drug problem. In Bendigo, the government will add an extra position for dual diagnosis and will also provide a primary mental health care team. It is a new development to support people

with mental illness in the community. That will also be a contribution to the mental health of people in the region.

The government will add a court liaison position for the region so that people with mental health problems can be supported in the court system. A joint academic position will also be created with La Trobe University. It is important that academic positions are established in country areas as it is a good way to attract highly qualified staff. Overall the picture is very positive.

The honourable member has been particularly active in respect of ambulances. The government is off to a flying start and has undertaken to put a helicopter in Bendigo.

Speaking of flying, the honourable member for Brighton in another place, better known as one of the members for North Western Province in another place, is spreading his wings throughout the whole state. It seems that Mr Best is more interested in Brighton than in Bendigo! I was amused to read in the newspaper that he is urging the government to fund the Lifelight Air Ambulance Service, a private ambulance service.

The government will fund a public ambulance service for Bendigo. It is more in the interests of the citizens of Bendigo and indeed northern and central Victoria to have a public ambulance service. The government is involved in negotiations with Lifelight about using the company as a back-up to the additional public service, and protocols are being developed.

As she was not in Parliament at the time, perhaps the honourable member for Bendigo East would not be aware that before the last election the same organisation, Lifelight, was seeking support from the then government to back its private ambulance service. The then government would not give it that support; it would not even talk to it.

It seems that when the member for North Western Province lived in the area he was not interested. He seems to be more interested now that he lives in Brighton. It beggars the imagination. Frankly, I do not think the honourable member will be around at the next election. He is already indicating that he is looking at other opportunities — —

An Honourable Member — He wants to be a helicopter pilot!

Mr THWAITES — Perhaps he does.

Mr Smith — On a point of order, Mr Acting Speaker, the minister is now making personal attacks. If

he wants to do it, we can give it back doubly. I know it is no point of order: I am just pulling him into line.

The ACTING SPEAKER (Mr Kilgour) — Order! There is no point of order, as the honourable member for Glen Waverley rightly pointed out. The minister, concluding his remarks.

Mr THWAITES — After that mauling from the honourable member for Glen Waverley, I will conclude.

I congratulate the honourable member for Bendigo East on strongly supporting health services in her area, including the new helicopter service, the new radiotherapy service, the new dental chair facility which I will open shortly, the new mental health services — the whole range of services in Bendigo.

Mr Mulder interjected.

Mr THWAITES — Since the honourable member for Polwarth interjects, I should say one thing in conclusion. One of the advantages the honourable member for Bendigo East has is that she has a community that knows what it wants with its hospital. As the honourable member for Polwarth knows, he and I are doing our best to provide a hospital to his community. We want to provide a new hospital, but there is a lot of disagreement about the location. The answer is yes.

An Honourable Member — When?

Mr THWAITES — When the community can work out what it wants.

An honourable member interjected.

Mr THWAITES — I will not answer any more interjections, because it might be too costly.

Mr Wells — On a point of order, Mr Acting Speaker, I want to ensure that the *Hansard* record is accurate. The Minister for Police and Emergency Services has refused to come into the chamber and respond to the adjournment matter raised by the honourable member for Evelyn, who has been waiting since 3 August for a response — —

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

Ms PIKE (Minister for Housing) — The honourable member for Polwarth raised a matter for the attention of the Minister for Environment and Conservation regarding the lease for Erskine House and requested that the lease be transferred to the Lorne foreshore

committee of management, expressing the desire that the people of Lorne have full benefit from the development of Erskine House. I have been to Erskine House; it is a beautiful piece of the landscape. I will certainly raise that matter with the Minister for Environment and Conservation.

The honourable member for Rodney raised with the Minister for Education the two state secondary colleges in Echuca and their desire to consolidate their Victorian certificate of education programs through the restructure they are undertaking. The honourable member has asked that the minister, having decided not to pursue that recommendation, now provide resources to maintain the school property. I will raise that matter with the Minister for Education.

The honourable member for Keilor raised for the attention of the Minister for Community Services a matter that has come to his attention through the Foster Care Association of Victoria, which wants health care cards to be provided for children in foster care. As the honourable member for Keilor rightly pointed out, that is a matter for the federal minister. The current situation is that children are eligible for a health care card only if either their natural parents or their foster parents have a health care card. Clearly that is not a satisfactory situation because, as we know, income is no discriminator when it comes to the need for foster care. I will request that the Minister for Community Services raise the matter with the federal Minister for Family and Community Services.

The honourable member for Evelyn raised the matter of Mr Ilke, the postmaster at the Warburton post office, who was confronted by a gunman and found himself in a very unfortunate circumstance. The honourable member gave details of the situation and explained that while the police were investigating the incident they undertook six raids in the area and discovered nine hand guns. I understand the honourable member wants a response. The Attorney-General has forwarded the correspondence. I will request that the Minister for Police and Emergency Services provide a response to the honourable member for Evelyn.

The honourable member for Werribee raised for the Premier's attention the commitment of local government in her local community and particularly the actions of Wyncare. I will draw that matter to the attention of the Premier.

Finally, the honourable member for Bentleigh again drew to the attention of the Minister for Police and Emergency Services the matter of a public meeting where people in her community raised questions of law

and order. She particularly requested that the minister release local crime statistics and give some assurance to people in her community about the actions that have been taken by the police in the area. I will again ensure that the matter is passed on to the Minister for Police and Emergency Services.

Motion agreed to.

House adjourned 11.07 p.m.