PARLIAMENT OF VICTORIA

PARLIAMENTARY DEBATES (HANSARD)

LEGISLATIVE COUNCIL

FIFTY-FOURTH PARLIAMENT

FIRST SESSION

Book 2

14 and 15 March 2000

Internet: www.parliament.vic.gov.au

By authority of the Victorian Government Print

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Tuesday, 14 March 2000

The PRESIDENT (Hon. B. A. Chamberlain) took the chair at 2.03 p.m. and read the prayer.

MELBOURNE CITY LINK (AMENDMENT) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. C. C. BROAD (Minister for Energy and Resources).

DOMESTIC BUILDING CONTRACTS (AMENDMENT) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. M. R. THOMSON (Minister for Small Business).

COURTS AND TRIBUNALS LEGISLATION (AMENDMENT) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. M. R. THOMSON (Minister for Small Business).

QUESTIONS WITHOUT NOTICE

Minister for Industrial Relations: offices

Hon. D. McL. DAVIS (East Yarra) — Is it a fact that the Minister for Industrial Relations has had two ministerial offices fitted out at public expense since being sworn in?

Hon. M. M. GOULD (Minister for Industrial Relations) — I had a temporary office at 35 Spring Street. Because the lease will expire on 30 June this year I have moved to the 5th floor at 1 Macarthur Street.

Industrial relations: 36-hour week

Hon. R. F. SMITH (Chelsea) — Will the Minister for Industrial Relations inform the house of the impact the reported comments in the *Age* of 10 March by the Leader of the Opposition, Mr Birrell, in support of a 36-hour week in the building industry have had on the industrial relations dispute in the Victorian construction industry?

Hon. M. M. GOULD (Minister for Industrial Relations) — The advertising banner for last Friday's *Age* states:

> Libs to accept 36-hour week.

At last the Leader of the Opposition has accepted reality with respect to industrial relations policy. In the *Age* of 10 March the Trades Hall Council's building industry convenor, Mr Brian Boyd is reported as having said:

> … Mr Birrell's remarks showed the opposition had agreed to shorter hours in the building industry.

The opposition set the template when the building industry negotiated a 36-hour week for Federation Square. The opposition raised the expectations of the building industry unions by agreeing to a 36-hour week at Federation Square. The Leader of the Opposition wants it across the industry.

The Leader of the Opposition says — and the government agrees — that the way to resolve what has been occurring in the building industry is through negotiation. That is nice to hear because that is what the government has been saying all along.

Hon. K. M. Smith — On a point of order, Mr President, firstly, the minister is trying to quote Mr Birrell as saying something that she attributed in her opening statement to the Trades Hall Council representative and, secondly, I thought question time was about the administration of government. The minister's remarks do not deal with the administration of government.

Hon. T. C. Theophanous — On the point of order, Mr President, it has been a longstanding tradition that if a member believes that something being said about him or her in the house is untrue or does not apply, the member can take a point of order. In this case Mr Ken Smith has apparently taken a point of order on behalf of Mr Birrell, who does not appear to have taken exception to what the minister said. There is no point of order. As to whether the answer relates to government business, clearly the answer is within the ambit of the minister's responsibility.

The PRESIDENT — Order! In relation to the matters raised by Mr Theophanous, the question of a member raising an objection in the house relates only to offensive remarks directed against a member, and if the

member is not in the house, another member can raise an objection. I see no problem with the fact that Mr Smith raised the matter. However, I see a problem with his point of order.

In saying that, I remind members of a ruling I made on 6 September 1994 about misleading statements. In that context I am not characterising what the Leader of the Government said in her answer. My ruling of that date states:

> The Westminster system sets great store on the need to be able to rely on the veracity of statements made in the Parliament by members. It is therefore incumbent on members that they take great care to ensure that they do not wittingly or unwittingly mislead the house. As *May* 21st edition, page 119 indicates, the making of a deliberately misleading statement may be treated as a contempt. Such an abuse is compounded if it involves the deliberate misrepresentation of the language of another member.

Members should not, therefore, include in their statements or questions in debate a form of words which implies a factual situation when in some cases it becomes evident there is no basis for that statement. I do not uphold the point of order.

Hon. M. M. GOULD — Reference was made to two articles. The *Age* reports that Mr Birrell said the deal was a classic example of an enterprise agreement, and I am more than happy to have his involvement on any enterprise basis.

Honourable members interjecting.

The PRESIDENT — Order! I ask both sides of the house to settle down. Backbenchers seated behind the minister are not assisting her at the moment.

Hon. M. M. GOULD — The opposition has conceded, as I said, that the way to resolve the dispute is through negotiations, which is what the government has been arguing and urging the parties to do all along. I join with the opposition and again urge the parties to resolve the dispute. I call on the parties to negotiate a mutually acceptable outcome. I encourage employers and unions to work together to resolve the dispute to achieve an outcome that is beneficial to all.

Minister for Industrial Relations: offices

Hon. M. A. BIRRELL (East Yarra) — In light of the fact that the Minister for Industrial Relations has had two ministerial offices fitted out at public expense in the past five months, is it a fact that the government is considering her moving into a third ministerial office at public expense?

Hon. M. M. GOULD (Minister for Industrial Relations) — The response to the question of the Leader of the Opposition is that we are considering it.

GST: small business

Hon. JENNY MIKAKOS (Jika Jika) — I refer the Minister for Small Business to reported comments in the *Australian Financial Review* of 8 March 2000 by the federal Treasurer in which he denied that the federal government would extend the deadline for registration under the new tax regime. Further, I refer the minister to the federal government's consistent refusal to increase the level of compensation payable to small businesses so they may comply with the goods and services tax (GST). Will the minister inform the house what effect those decisions will have on Victorian small businesses?

Hon. M. R. THOMSON (Minister for Small Business) — There are huge delays in GST processing and registration procedures. I have spoken to more than 200 small businesses in Victoria, and as recently as last week their major concern was whether they can absorb the administrative costs of the implementation of the GST. They are also concerned about the administrative burden of the GST quarterly returns.

I support requests made by opposition members federally and the National Tax and Accountants Association Ltd to delay the date by which small businesses have to register. More than 2 million businesses have yet to apply for and be registered with Australian business numbers (ABNs).

Yesterday the federal Minister for Employment, Workplace Relations and Small Business, Peter Reith, suggested that the highest number of ABNs the tax office could register a day was 28 000. The Australian Taxation Office would need to register 38 000 a day to meet the deadline of 31 May. Businesses that have not registered by that date will be hit with a punitive 48.5 per cent tax. Small businesses should not have to bear that burden.

I call on the federal government to be lenient on small businesses that have not registered by the deadline of 31 May, and I call on opposition members to join with the government in making submissions to their federal counterparts.

Electricity: Yallourn dispute

Hon. PHILIP DAVIS (Gippsland) — Will the Minister for Energy and Resources confirm that Yallourn Energy sent a letter to her on 11 November and another on 29 December 1999 warning of an

impending electricity crisis? I ask whether it is a fact that the second letter states:

> There is a possibility, depending on the impact of the bans, that power supplied from Yallourn Energy will be restricted during the high demand period of January.

Hon. C. C. BROAD (Minister for Energy and Resources) — As I have told the house on a number of occasions, since the situation at Yallourn and the possible impact that would have on the state's electricity supply predated the election of the Bracks Labor government by a considerable time, the government has been kept well informed of the situation.

I will have to check whether the dates referred to in the correspondence are accurate, since I do not have the correspondence in front of me. I will check on that. I am more than happy for the opposition to keep raising the matter here because I remind Victorians that — —

Honourable members interjecting.

Hon. K. M. Smith — On a point of order, Mr President, in her answer the minister said she will check whether she received the letters and advise their dates. She has not said how she will report back to the house. Can her report be made to the house?

The PRESIDENT — Order! The minister certainly gave the house reason to believe there would be a response once she had checked the files — otherwise, why would she check the files? Whether the minister responds to the question in due course is a matter for her, or for another question. There is no point of order.

Hon. C. C. BROAD — Perhaps Mr Smith might like to confer with the person asking the question to get the question right.

Honourable members interjecting.

The PRESIDENT — Order! I remind the house that question team started at 2.08 p.m. Unless the cacophony ceases and questions and answers are allowed to flow, they will stop at 28 minutes past 2.

Hon. C. C. BROAD — As I was saying, the government's view is that the situation with which the government was confronted in February — namely, sale contracts that did not include any requirement to supply electricity to the citizens of this state — was a direct result of the policies of the previous government and the manner in which they were implemented. The policy of the previous Treasurer was to drive down capacity in the supply system.

The matters outlined in the correspondence are not news to the government. As to checking on dates, it is a simple matter to do so.

Gas: Port Campbell reserves

Hon. E. C. CARBINES (Geelong) — Will the Minister for Energy and Resources inform the house of recent onshore gas finds in Victoria's western region?

Hon. C. C. BROAD (Minister for Energy and Resources) — I thank the honourable member for her question about this important development for the west of the state. I am very pleased to advise the house that Victoria's onshore gas inventory has been substantially increased due to two discoveries in the Port Campbell region by Boral and Santos. Those discoveries will improve the security of Victoria's gas supply by providing alternative sources to the Gippsland basin. The new finds are among a number of other gas-producing fields in the Port Campbell region in the west of Victoria. The proximity of those supplies to existing pipelines and processing facilities means that even small-scale gasfields will be commercially viable.

The gas discoveries will not only enhance the security of gas supplies in the state but also help secure jobs and regional development, particularly in western Victoria. The attractiveness of western Victoria for exploration and development investment has been greatly enhanced by its connection to the national gas network. Regional development across Victoria is also being supported through the establishment of gas storage and an expanded transmission pipeline network. The government regards these opportunities for further commercial development as significant not only for their employment potential but also for their potential contribution to growth and investment in Victoria.

This forms part of one of the key commitments the Bracks Labor government made at the time of its election, and it is a further demonstration of one of its four policy pillars — that is, growing Victoria, especially investment and jobs, and particularly in regional Victoria.

Electricity: Yallourn dispute

Hon. R. M. HALLAM (Western) — My question to the Minister for Energy and Resources again goes to the electricity crisis. When the minister is checking the records, as she has undertaken to do in response to a question from my colleague the Honourable Philip Davis, will she also check and report to the chamber on the specific reports the Victorian government requested from Nemmco during January on the effect of the

withdrawal of Yallourn Energy's generational capacity?

Hon. C. C. BROAD (Minister for Energy and Resources) — As I have previously indicated to the house, the government was in continuous receipt of reports from Nemmco on the electricity supply situation at that time. I have also indicated that as soon as the government was advised that there was an impending shortage it advised the people of Victoria.

Honourable members interjecting.

Petrol: toluene substitution

Hon. D. G. HADDEN (Ballarat) — What action has the Minister for Consumer Affairs taken to ensure Victorian motorists are not sold petrol that has been tampered with?

Hon. M. R. THOMSON (Minister for Consumer Affairs) — Unlike our federal counterparts — —

Honourable members interjecting.

Hon. M. R. THOMSON — Within 48 hours of being notified of cases in New South Wales of toluene being substituted for petrol, we sent inspectors out to look at petrol stations to see whether the problem existed in Victoria. I would like to report to the house that at this stage there is no incidence of toluene being at unreasonable levels in our petrol. That could be accounted for, firstly, because there has been a lot of publicity about the issue in recent times — and therefore a scarcity of people using it; and secondly, as we understand it, because Victoria might have been right at the end of the toluene substitution cycle.

I also want to emphasise that this is clearly the responsibility of the federal government. In his second-reading speech on the Fuel (Penalty Surcharges) Administration Bill, Mr Prosser, the then Minister for Small Business and Consumer Affairs, said it was part of:

> … the legislation package designed to give effect to the government's announcement in the 1997–98 budget that it would be cracking down on fuel substitution.
>
> …
>
> This bill also sets out the audit powers of customs officers and officer of other agencies authorised by the chief executive officer of customs to ensure compliance with the requirements with this act and to obtain evidential material concerning any breaches of the provisions of this act, including the authority to obtain monitoring and search warrants. The powers will cover a range of activities, including fuel sampling, auditing of documents and access to various premises — including road tankers, fuel transport vehicles, transport vehicles with a fuel capacity above the threshold — —

The PRESIDENT — Order! I have spoken before about the sort of answer a minister might give. It is not the appropriate time to give great slabs of quotations from speeches made in another Parliament. That is entirely inappropriate. The minister should be able to paraphrase what has been said and to inform the house accordingly.

Hon. M. R. THOMSON — The list includes depots and service stations. There has been a lot of duckshoving on this issue by the federal government. It has been aware for months — —

Honourable members interjecting.

The PRESIDENT — Order! It is in no-one's interest for the minister to be shouted down. She is entitled to be heard.

Hon. M. R. THOMSON — It has been aware of and warned about the issue for months. The Victorian government acted quickly, within 48 hours of being aware that this had happened, and I wrote to the Honourable Rod Kemp, the minister responsible, on the matter.

I am pleased to hear that the federal government will now impose an excise on toluene, but I also call on other state jurisdictions and the federal government to ensure that there is no longer a problem for Australian motorists, particularly Victorian motorists. National standards must be set on the complexity of fuel.

Minister for Industrial Relations: offices

Hon. D. McL. DAVIS (East Yarra) — I ask the Minister for Industrial Relations to confirm that the combined cost to the taxpayer of the three ministerial offices she now occupies, or will have occupied in approximately six months of government, will approach $250 000.

Hon. M. M. GOULD (Minister for Industrial Relations) — I do not know where the honourable member got the figures from. The office furniture is leased, so there has been no great cost to the taxpayer. The office I occupy is on the fifth floor of 1 Macarthur Street.

Sport: Officiating Victoria

Hon. KAYE DARVENIZA (Melbourne West) — Will the Minister for Sport and Recreation advise the house what steps his department is taking to improve the quality of umpiring in Victoria?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — Last month I had the pleasure of launching the Officiating Victoria strategy. As I have previously mentioned in the house, it is difficult to recruit, train and retain officials in non-professional sport, in particular umpires and referees. Recommendations of the national officiating workshop were implemented by the establishment of a state officiating reference group, the aims of which are to help in the establishment of development programs for officials in Victoria and to build a culture that respects and values officials.

The 2000 Olympics, the 2002 Masters Games and the 2006 Commonwealth Games will require a large pool of skilled officials. The three key outcomes of the strategy relate to respecting and valuing officials, boosting the available pool of officials and providing information to sporting clubs about development programs for officials.

QUESTIONS ON NOTICE

Answers

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

> That so much of the standing orders as require answers to questions on notice to be delivered verbally in the house be suspended for the sitting of the Council this day and that the answers enumerated be incorporated in *Hansard*.

I shall read out the numbers of the questions that have been answered: 17–19, 46, 64–66, 100–102, 140, 150, 168–170, 186, 192, 193, 197, 205, 208 and 209.

Motion agreed to.

DRUGS AND CRIME PREVENTION COMMITTEE

Drug reform strategy

Hon. B. C. BOARDMAN (Chelsea) presented report on lapsed inquiry, together with appendices.

Laid on table.

Ordered to be printed.

SCRUTINY OF ACTS AND REGULATIONS COMMITTEE

Alert Digest No. 3

Hon. M. T. LUCKINS (Waverley) presented *Alert Digest* No. 3 of 2000 together with appendix.

Laid on table.

Ordered to be printed.

PAPERS

Laid on table by Clerk:

Mt Stirling Alpine Resort Management Board — Report, 30 April 1998 to 31 October 1998.

National Environment Protection Council — Report, 1998–99.

Parliamentary Contributory Superannuation Fund — Report, 1998–99.

Planning and Environment Act 1987 — Notices of Approval of the following amendments and new planning schemes:

- Baw Baw Planning Scheme — Amendment C9.
- Casey Planning Scheme — Amendment C5.
- Geelong — Greater Geelong Planning Scheme — Amendments R224, R244 and R251.
- La Trobe Planning Scheme.
- Mornington Peninsula Planning Scheme — Amendment C14.

Statutory Rules under the following Acts of Parliament:

- Conservation, Forests and Lands Act 1987 — No. 11.
- Wildlife Act 1975 — No. 10.

Subordinate Legislation Act 1994 — Minister's exemption certificate under section 9(6) in respect of Statutory Rule No. 11.

RENEWABLE ENERGY AUTHORITY VICTORIA (AMENDMENT) BILL

Second reading

Debate resumed from 1 March; motion of Hon. C. C. BROAD (Minister for Energy and Resources).

Hon. PHILIP DAVIS (Gippsland) — It is with great pleasure that I contribute to debate on the bill. I will refer to its key aspects and make some general observations on its merits.

The bill amends the name of Renewable Energy Authority Victoria by replacing the word 'renewable' with 'sustainable'. It is interesting to observe that the more things change, the more they stay the same. The initial legislation, the predecessor to the principal act, constituted a body entitled the Victorian Solar Energy Council. That legislation, the Victorian Solar Energy Act 1980, was repealed in 1990, and the Renewable Energy Authority Victoria Act was implemented. Renewable Energy Authority Victoria subsequently took the business name Energy Efficiency Victoria to present itself publicly as a trading entity. I guess that business name is the authority name with which most Victorians would be familiar.

That highlights an important aspect of public policy debate. Many issues pertinent to parliamentary discussion today have been on the public, political and parliamentary agenda for many years. In this case there is evidence of initiatives originating in the days of the Hamer government when the Victorian Solar Energy Council Act was introduced.

It is important to understand the subtle change in direction of the proposed new authority as reflected in its changed functions, focusing on greenhouse gas emissions. That is important in the context of the international agreements the commonwealth government has been a signatory to, including the Kyoto agreement.

Clearly on a national level greenhouse gas emission targets need to be achieved. While the base year is 1990 and the target for greenhouse gas emissions is a level not exceeding 108 per cent of 1990 levels by 2012, on a national basis Australia is already exceeding that level. Governments of all jurisdictions will have to make a significant investment of resources to ensure such targets can be achieved, if it is possible to achieve them.

I note that, notwithstanding the existence of the Kyoto agreement, the United States has not yet ratified the agreement. My understanding is that the commonwealth government has indicated it will not formally ratify the agreement until such time as the United States does. We should all be concerned about that, given that the United States is the most significant and influential industrial country in the world. It has a heavy reliance on energy and is particularly reliant on its own energy resources.

The United States economy is far less exposed to the impacts of global policy than is that of Australia, given our dependence on export markets and particularly given that Australia's domestic manufacturing industry advantage is built on a low-cost energy structure compared with those of most other countries. Australia has an energy advantage, with abundant oil, gas and coal reserves in Victoria in particular.

Our economy has been developed on the basis of industries being competitive internationally, taking advantage of low-cost energy. Any world energy policy impacts will eventually flow back to Australia and will have a deleterious effect on the sustainability of industry. It is all very well to have a sustainable energy authority, but we should be mindful that sustainable industry is just as critical in light of the economic impact of such initiatives.

Moving on to the functions of the bill, I note that amendments will effectively remove the research and development brief that was previously part of the objects and functions of the bill. Clearly Energy Efficiency Victoria has moved away from that area of activity in any event, and there is no great ambition for that to be a continuing function. Others are capable of doing that.

One interesting proposal the government has sponsored in the bill is to enable Sustainable Energy Authority Victoria, as it will become known, to lend or grant up to $25 000 per annum without ministerial consent — in other words, to facilitate a grant or loans program allowing the authority to sponsor sustainable energy initiatives.

That gives the authority the opportunity to complement some of the greenhouse gas emission work the commonwealth government has already initiated. It is funding programs aimed at the adoption of solar electricity generation. Such initiatives could be facilitated by the state, and I understand the government has made a commitment to funding such grant and loans programs.

The opposition is interested in pursuing one issue not revealed in the bill. It would be useful if during the course of debate the government could elucidate more specifically how the efficacy of programs proposed to be introduced through Sustainable Energy Authority Victoria will be monitored. There is a risk involved in investing in the renewable energy sector because to a large extent it concerns developing technologies. The technology of the industry may not be in common usage. People might have a bright idea but the premise for sponsoring initiatives might not be properly researched. A proposal could initially seem to be attractive but subsequently be found wanting.

It should be highlighted in debate if the government proposes to have a review or audit process to ensure

grants and loans are made only in the case of proven technology where the risk to the taxpayer is minimal, rather than risk taking being encouraged, with technologies that have no long-term, serious basis of adoption being invested in.

It is clearly the intention of the government to spill the board — that is, to replace all those serving on the board of Renewable Energy Authority Victoria with a new board as of 1 July. Presumably the minister wants to make those appointments on the basis of ensuring that the new board reflects the objectives of the new authority. While she may be doing that, she should have regard to the success of Energy Efficiency Victoria and the board that has been in place for some time. It has made a significant contribution to the state. If that is reflected in the government's indication that it will keep in existence through the authority the programs already implemented, I am pleased the minister has acknowledged that those programs have been a positive addition to renewable energy programs in the state.

The only remaining comment of significance I can make is that the additional $17.5 million the government has committed to provide over four financial years is a relatively low amount given that the government has implied it will be the lead initiative in dealing with the greenhouse problem. I was surprised to hear that implied in the minister's second-reading speech, because many other areas of activity the previous government had been pursuing need to be pursued vigorously.

It is disappointing that as a result of the way the bill has been introduced, Parliament, and therefore the public, may conclude that the commitment is the sole initiative of the government to deal with the greenhouse problem. I would be pleased if the government would provide further illumination on what it intends to do on the greenhouse issue, because if that were the only initiative it would be inadequate.

Initiatives undertaken within Energy Efficiency Victoria will continue. However, other initiatives dealing specifically with greenhouse issues that were strongly supported by the Kennett government were also being carried on outside the renewable energy authority structure. They related to, for example, developing carbon sinks, taking the opportunity to accelerate forestry plantations for the purpose of tying up free carbon from the atmosphere.

During the course of the debate my colleagues will speak specifically about other opportunities that exist in the renewable energy sector. I conclude my contribution by advising that although the opposition expresses a slight reservation about the bill and seeks clarification from the government on its broader proposals for dealing with greenhouse gas emissions, it does not oppose the bill.

Hon. E. C. CARBINES (Geelong) — I am pleased to join the debate on the Renewable Energy Authority Victoria (Amendment) Bill. The Honourable Philip Davis and other honourable members recognise there is increasing international scientific recognition of the impact of greenhouse gas emissions on climate change, which is leading to the assumption that they impact on global warming.

Five years of the past decade were the warmest on record in Australia, and this summer has been extremely hot in Victoria — especially on some days prior to Christmas and last week in this house. Geelong, in the electorate that I represent of Geelong Province, has had three years of drought conditions and water restrictions. Its water supply is currently at only 35 per cent capacity. There is increased interest across the world about the reduction of greenhouse gas emissions, and international, national and state governments need to take a leadership role in reducing greenhouse gas emissions.

The introduction of the Renewable Energy Authority Victoria (Amendment) Bill is the Bracks government's first step in ensuring Victoria plays its part in reducing greenhouse gas emissions. It makes good sense environmentally and economically. The government gave an election commitment to reform Energy Efficiency Victoria and establish a sustainable energy authority. The bill seeks to do that. Sustainable Energy Authority Victoria will build on the success of Energy Efficiency Victoria. A number of examples of that success have occurred in my electorate since I was elected last year. Last December the Minister for Energy and Resources opened its Geelong office. It was widely and warmly received by the Geelong community, particularly businesses, who were pleased to hear that if they took energy efficiency into account they could reduce their business costs by up to 25 per cent.

Last week the minister was again in my electorate, this time at Queenscliff, inspecting the site for the relocation of the Marine and Freshwater Resources Institute. The director of MAFRI announced that the new buildings will be constructed to maximise energy efficiency, which is extremely important. Even the local Young Men's Christian Association camp, Camp Wyuna, which is opposite the new MAFRI site, intends to incorporate educational activities on energy efficiency into its camping programs for young people. Energy

efficiency and sustainable energy is very topical in Geelong Province and is something on which the government is pleased to take a leadership role.

The bill is an important component of the election commitments made by the Bracks government to set greenhouse emission targets and pursue a comprehensive strategy to achieve them. As the Honourable Philip Davis accurately pointed out, unlike Renewable Energy Authority Victoria, Sustainable Energy Authority Victoria will focus on the facilitation of energy efficiency rather than research. It will allow Victoria to go further than before by not only facilitating energy efficiency but also focusing on greenhouse gas emission reduction, which will have a tremendous beneficial effect on the Victorian economy. The authority will bring Victoria into line with New South Wales, which has its well-established and high-profile — it is known nationally — Sustainable Energy Development Authority.

I turn to the bill. Its purpose is to amend the Renewable Energy Authority Victoria Act by changing the name of the act and the name and functions of the authority. It will come into operation at the commencement of the new financial year on 1 July 2000. Clauses 3 and 4 provide for the substitution of the name 'Sustainable Energy Authority Victoria' for 'Renewable Energy Authority Victoria', and tidy up relevant sections to reflect the new name.

Clause 5 provides for objectives of the new authority which differ from those of the previous authority. It states:

> The objectives of the Authority are to facilitate energy efficiency and the development and use of renewable energy to achieve environmental and economic benefits for the Victorian community and to contribute to the reduction of greenhouse gas emissions.

Clause 5 also covers and expands on the provisions in the act by substituting new subsection 6(c), which will:

> … facilitate the implementation of energy efficiency measures in all sectors of the Victorian economy including government, business and households …

Sustainable Energy Authority Victoria will work actively with government, business, and households to secure and facilitate energy efficiency measures.

Proposed new section 6(f) seeks to expand the advice available to the Minister for Energy and Resources by inserting the words 'greenhouse gas issues'.

I note the concerns of Mr Davis about clause 6, which will allow the authority to lend or grant more than $25 000 to a person or body in 12 months without the consent of the minister. This important provision will allow the implementation of the goals of the authority and assist Victorians to make the necessary changes. Clause 6 increases the amount of capital required for agreements from $100 000 to $250 000. The amendment will allow business and industry to implement sustainable energy strategies.

Clause 7 replaces the existing transitional provisions and creates a new board which will reflect the impetus of the new authority. I am pleased the opposition supports the bill because it is deserving of support. It is a win–win situation for Victorians — a win environmentally and a win economically — and it will serve Victorians well as we move further into the new century. I commend the bill to the house.

Hon. C. A. STRONG (Higinbotham) — The Renewable Energy Authority Victoria (Amendment) Bill is what I call a pea-and-thimble bill. Although greenhouse gases and energy efficiency are important issues, in essence the bill merely changes the name of the authority from Renewable Energy Authority Victoria to Sustainable Energy Authority Victoria — a major breakthrough in every way when advancing Victoria into the golden era of renewable and sustainable energy!

In explaining the change of name the Minister for Energy and Resources in her second-reading speech states that pursuant to a comprehensive strategy for greenhouse gas reductions and renewable energy systems the government will change the name of the renewable energy authority to Sustainable Energy Authority Victoria. That is amazing stuff! Although the bill finetunes the objectives of the new authority, they are little different from those of the previous authority. I paraphrase some of the other key issues raised in the minister's second-reading speech. She says that one of the major reasons for amending the principal act is to enable the government to clearly specify the greenhouse reduction objectives of Sustainable Energy Authority Victoria. The minister says that one reason for changing the name of the authority is to clarify the objectives of the authority and that the bill will be a signal to the community and industry that the government's intention is to lead Victoria to a sustainable energy future. We have missed out on the bright lights! The government also proposes to provide funding for the new authority of $17.5 million over four years.

I do not say that this issue is not important, because renewable energy, greenhouse gas emissions and sustainable energy are extremely important. The challenges and threats associated with greenhouse gas

emissions are major issues facing Victoria and Australia. The greenhouse effect could have a multibillion dollar impact on the state. Victoria, the major manufacturing state in Australia, uses brown coal for the majority of its electricity generation, which has an adverse greenhouse effect. I repeat: this is a multibillion dollar problem for Victoria in particular because of the issues I have outlined and particularly because of our reliance on brown coal generation. Faced with this multibillion dollar impact on Victoria's economy, the government proposes a change of name of the authority and will add $17.5 million over four years to deal with an issue that may have a significant impact on Victoria's economy. It is tokenism at best and is not anywhere near an appropriate response to a major problem.

I hope this is one measure among many others that the government will implement to ensure Victoria is not adversely affected by greenhouse gas emissions. Unless something significant is done our economy will be adversely affected by greenhouse emissions. But it also presents some opportunities.

Although I do not oppose the bill, which concerns a major issue facing the state, it is just tokenism and pea-and-thimble legislation. I implore the government to deal comprehensively with this major threat to our economy.

Hon. G. D. ROMANES (Melbourne) — I am pleased the opposition supports the bill, which does more than merely change the name of Renewable Energy Authority Victoria to Sustainable Energy Authority Victoria. The bill implements some of the major policy objectives of the Bracks Labor government to make some impact on the increasing greenhouse gas emissions that are important not only to the Victorian community but also to Australia and other countries. Evidence is emerging that the long-term temperature trends in Australia are consistent with global trends. In Australia the five-year period from 1995 to 1999 has been the warmest on record. There is a need to take action internationally.

In his contribution Mr Strong suggested that the doubling of funding for the new authority was tokenism. That is an interesting comment, given that the former Kennett government reduced the authority's funding every year from 1993 to 1998. I understand that at one point funding support for the authority fell to $1.9 million. During that period the figure fell under the $3 million mark.

The lack of commitment continued until 1998, when international interest in global warming was renewed in response to the Kyoto protocol and other conventions, resulting in the need for a national greenhouse gas strategy. Only then did the former government lift its game. However, as the Honourable Chris Strong has said, the response has been inadequate because the problem is enormous, and its solution is critical to the future of the planet.

The current government's objective is to put more resources into Sustainable Energy Authority Victoria (SEAV) to enable it to facilitate a range of initiatives designed to achieve greater energy efficiency across every sector of the state. Those initiatives will not only reduce greenhouse gas emissions and the energy used by businesses, authorities and householders — or wherever people are using energy — but also facilitate the development of sources of renewable energy as alternatives to the fossil fuel on which Victoria heavily depends.

The focus of the authority will be on facilitation, not research. As I have said previously, there is a sense of urgency about the government's commitment to represent the interests of the people of Victoria by taking a strong leadership role on the issue. As with many other things in their lives these days, Victorians must change their thinking and behaviour when it comes to using energy. It is not a matter of the government throwing more money at the problem; we must look at the systemic causes of the problem to determine what can be done about it.

Mr Strong said that although the opposition supports the bill, it has some reservations about it, including its claim that the problem is too big to be solved just by, as he put it, renaming the authority and taking the other actions proposed by the bill. I agree that the issue is huge and that there is a need for urgent action. However, the government is taking a leadership role by spearheading the proposed moves.

In answer to Mr Strong's accusation that the bill is tokenism, I will outline some of the other greenhouse gas initiatives that the Bracks Labor government will deal with over the coming months and years with the assistance and through the facilitation of Sustainable Energy Authority Victoria.

The government is intent on developing greater consumer awareness of the benefits of using sound environmental products. Renewable Energy Authority Victoria (REAV) has done a lot of work on energy-efficient appliances; however, there is much more to be done. When reading the annual report of the REAV last night I noted that it has provided approximately 300 000 people with information about

energy-efficient appliances. However, I also noted that the authority estimates that $850 000 in energy costs has been saved through the sale of energy-efficient appliances. Obviously there is a lot of room for improvement in getting the message out about how worthwhile energy-efficient appliances are, both environmentally and financially, from the consumer's point of view.

Another plank in the government's policy is to establish environmental guidelines for electricity retailers, including the annual reporting of greenhouse gas emissions and setting greenhouse gas emission benchmarks according to market share. It is important to know where greenhouse gas emissions are being created and to apportion some responsibility for addressing those issues.

From my reading of the February edition of *Electricity Supply*, the monthly magazine of the Electricity Supply Association of Australia, I am also aware of the recurring theme that the electricity industry itself has to begin to integrate national economic and environmental objectives and policies. In an article on page 11, Allan Gillespie, the chairman of the board, says among other things that:

> … we must continue to improve technology to ensure that we produce the electric power needed with the fewest possible emissions.

That theme is repeated throughout the magazine.

The government will also support the development of carbon trading, which can generate significant additional funds for the planting of new forests — in other words, they will be paid for by industries that emit greenhouse gases. That initiative could contribute to balancing costs and benefits.

The government will require all energy companies to disclose as part of their billing information the amount of greenhouse gas they use in supplying energy. Before the former Kennett government sold it off in 1995, the Brunswick Electricity Supply Department was already doing just that. That was a local initiative taken by a local electricity authority that understood the importance of reducing greenhouse gas emissions. That local authority, which was owned by the former Brunswick City Council, had a strong commitment to energy conservation and reducing energy consumption. As part of making people aware of their role in reducing greenhouse gas emissions, the authority printed that information on their consumers' bills each two months.

The Bracks government will also advise consumers of the source of the energy they use, whether it is coal, gas, hydro or green power, as well as the amount of greenhouse gas pollution associated with their energy use. In the early 1990s some of the customers of the former Brunswick electricity supply department paid into a fund established by the authority to promote solar energy as part of the commitment to reducing greenhouse gases.

People wish to know the source of power and its effects on the environment. The government has a policy of establishing a greenhouse rating scheme for commercial buildings, something with which Renewable Energy Authority Victoria (REAV) has been involved and can be further developed.

Government policy is also to assist government departments to identify and harness cost-effective opportunities for improving energy efficiency, with a target of reducing energy use in Victoria in government buildings by 15 per cent by 2005. If anybody thinks that is an impossible target, I am reminded of something that happened in my province a short time ago when I attended the opening of the civic centre in Bell Street, Coburg, which is the centre for the municipality of Moreland. The centre was refurbished, redeveloped and expanded according to sustainable environment principles. Although 90 extra staff were relocated from the former Brunswick offices to Bell Street the design and construction methods used such as passive and active solar energy and other measures, mean the centre is now using less ongoing energy than was the case previously.

There was a commitment to saving energy and conserving much of the materials on the site. The design incorporated the use of recycled materials — that is, concrete, piping, timber and roofing. The policy is all about promoting those ideas and garnering a commitment from the various commercial, municipal and other organisations and agencies as well as individuals to become involved in trying to meet targets by reducing energy usage and therefore greenhouse gas emissions.

Another commitment of the Bracks Labor government is to upgrade the Energy Small Business program to help companies reach world-class standards in energy use which will reduce costs, improve productivity and reduce greenhouse emissions. The economics are obvious.

It is planned to introduce an Energy Smart Homes program in conjunction with local councils to implement improved energy efficiency standards for

new homes and renovations. That is important in tackling the problem individuals have. We all know how dearly people feel about their homes and how much activity is going on in the building sector. Much has to be done in that area, and I fear some ground may have been lost over the past few years through deregulation in the building industry. Important initiatives, such as including energy-efficient insulation in new and renovated houses, may have been dispensed with by the building industry. Yesterday I was talking with a young gentleman from the building industry who said most developers are no longer putting such insulation into houses. He said he understands the resulting enormous difficulties in paying for heating and cooling because attention has not been given to the proper siting of buildings to take advantage of passive solar energy. Where such insulation has been dispensed with it will cost more to heat and cool those homes. He was alarmed at the performance standards that slip through the net that will not deliver the appropriate outcomes.

The government is also committed to expanding the Green Power program to facilitate the generation of electricity from renewable resources and to stimulate economic growth and jobs in those industries. We all know about wind power generation and other programs. Targets for the consumption of green power are not only being driven federally but also by the Victorian government. The Victorian government has made a commitment to its greenhouse gas reduction responsibilities by its intention to examine the facilities being developed for the 2006 Commonwealth Games to see how energy can be conserved.

Mr Strong referred to monitoring grants and suggested that money may be given away for little outcome. There is an understanding by any government that grants, subsidies and assistance of various kinds should be targeted, and one should know programs will deliver what they set out to achieve.

Sustainable Energy Authority Victoria will be responsible for developing and administering the Solar Hot Water System Grants program, which will provide up to $15 million over three years for people seeking to switch to solar residential hot water systems. It is proven technology and is cost effective over the long term if people receive assistance up-front to invest in it. The Bracks Labor government will contribute substantially in that area. I assure honourable members that where the technology is proven and demonstrated the outcomes will be cost effective.

This is a substantial step forward and an important commitment that the Bracks Labor government is making to the reduction of greenhouse gas emissions in the state. It is a commitment that can be measured over time.

Even more resources than the additional $17 million allocated by the government will need to be provided. The community cannot afford to ignore the commitment or to be mealy-mouthed, and must press on to find out as much as possible about how the behaviour of people can be influenced to bring about change and to contribute to a better environment not only in Victoria but throughout the world.

Hon. P. R. HALL (Gippsland) — I shall make only a few comments on the Renewable Energy Authority Victoria (Amendment) Bill. I note that the present Renewable Energy Authority Victoria will be renamed the Sustainable Energy Authority Victoria. Notwithstanding the comments of the Honourable Glenyys Romanes about the extension of existing programs the present authority had been undertaking for some time and the extra funding committed by the government to the new authority's work, which is fine, no-one has explained why the authority title needed to be changed. Is it, perhaps, a token change of name?

I was prompted to contribute to the debate because much of the second-reading speech and the new objectives of the authority refer to greenhouse emissions. The second-reading speech talks largely about Australia meeting its greenhouse targets and addressing some of the carbon dioxide emission targets in Australia. The area where I live and which I represent, the Latrobe Valley, has 85 per cent of Victoria's power production that is generated in large part by brown coal-fired power stations and one small gas power station. The power stations are often blamed for being among the worst contributors to greenhouse emissions. I shall also comment about what is happening in the Latrobe Valley and Gippsland in general about developing new renewable energy industries.

The operators of Victoria's brown coal-fired power generating stations in the Latrobe Valley take their environmental obligations seriously. In recent years they have adopted many positive measures to address greenhouse emissions. I can best summarise their progress by referring members to a report in the *Latrobe Valley Express* of 9 September 1999, which states:

> Latrobe Valley's generators are ahead of schedule in their efforts to reduce greenhouse emissions and are expected to rate in the top 1 per cent in their class in a world efficiency rating system.

That claim was made by Professor Barry Dunstan, the group managing director of Energy Education Australia, when he addressed an emissions trading conference in Sydney. Professor Dunstan spoke about the greenhouse challenge program document, to which all the power generators in the Latrobe Valley were signatories. He said they were far ahead of the schedules proposed in that challenge.

According to the press article, at the conference Professor Dunstan argued about:

> … the merits of voluntary programs for greenhouse emission reductions over the current move towards legislated measures including emission trading.

Therein lies an important issue about greenhouse emissions for the consideration of the Victorian government. Will it take the legislative approach to require enforcement of emissions or will it expect a voluntary reduction of greenhouse emissions? If it takes the legislative track, extreme difficulties will be imposed on some of the brown coal power generators in Victoria and throughout Australia in meeting their targets. That issue was well canvassed at the Kyoto international conference. The government should tread carefully, particularly with Victoria's power generators, when it considers the means of reducing greenhouse emissions. It should consider whether a legislative or voluntary approach would be the better path to take.

I agree with Professor Dunstan's submission to the Sydney conference to which I referred earlier that more will be achieved by taking the voluntary approach and by the government assisting all forms of industry to reduce greenhouse emissions rather than requiring them legislatively to do so. A process of monitoring their achievements would need to be put in place, but the government should pursue the voluntary approach.

The power generating companies in the Latrobe Valley are committed to achieving improved environmental objectives and the reduction of greenhouse emissions: that commitment has been at the forefront in their thinking and planning in recent years.

I refer also to the developments in the renewable energy market across Gippsland, but specifically in the Latrobe Valley. Victoria will always rely heavily on brown coal power stations for its electricity. The need for additional markets from renewable energy market sources in the years ahead will become evident. In that regard a number of enterprising people in the Latrobe Valley have put their heads together and thought about the impact they could make on the renewable energy market. I refer to another article in the *Latrobe Valley Express* of 12 August 1999, which states:

> A Latrobe Valley consortium looks set to soon land a $15 million contract, paving the way for large-scale wind turbine manufacturing and a potentially massive jobs injection in the region.
>
> … Renewable Energy Australasia Pacific (REAP), Dutch firm Lagerwey and local company Siemens have signed a heads of agreement which … will see the local manufacturing of wind turbine generators …

for local use and, potentially, for export. At the signing of the heads of agreement in August 1999 it was estimated that if the industry gets off the ground it could create 600 to 700 jobs in the next three to five years. It would become a significant new Latrobe Valley industry.

Progress has been made and success achieved on that project. I refer to the 15 November 1999 edition of the *Latrobe Valley Express*, which reported the merger of a Brisbane-based company, Primergy, with the Morwell-based REAP to oversee the manufacture of wind-generated turbines in the Latrobe Valley. Last November the company announced it had secured its first major contract through a $50 million order from Japan. The deal had been brokered by a consortium member, Lagerwey. The initial order is for the construction of 50 turbines. It is ironic that the new industry will eventually compete with the brown coal-based power generators. The company is doing well.

Recently the shire granted a permit for the company to erect a wind-monitoring tower on The Ridge, a well-known site in Morwell that overlooks the Morwell open cut and on which the headquarters of the former State Electricity Commission of Victoria was sited. There has been significant movement in the Latrobe Valley in the use of wind turbines to produce power.

Before concluding I will mention another development in wind power in South Gippsland. For many years it has been mooted that the hills above Toora in South Gippsland are an ideal place for wind-powered turbines. An article in the *Star* of 7 March states:

> Stanwell Corporation is expected to lodge a planning application with the South Gippsland shire this week in its bid to get the windfarm turbines turning.
>
> Council has shown its support for the project, which would see the construction of 12 massive towers in the Toora hills which would generate enough electricity to power much of South Gippsland.
>
> The cost of the project is tipped to be in the order of $25 million …

I hope that Primergy, the company in the Latrobe Valley to which I referred, can manufacture some of the turbines for the significant windfarm development that

the Stanwell Corporation proposes to undertake in South Gippsland.

It is an exciting era. As I said, although Victoria will continue to rely very much on its brown coal-based power stations, it will increasingly move to other forms of renewable energy. I am pleased to say that Gippsland is well placed to capitalise on the potential of wind-powered energy.

With those few words, I wish the bill a successful passage.

Hon. G. W. JENNINGS (Melbourne) — I support the Renewable Energy Authority Victoria (Amendment) Bill. In his contribution the Honourable Peter Hall challenged the government to identify more clearly how its intentions will be implemented by the bill, which will change the name of Renewable Energy Authority Victoria to Sustainable Energy Authority Victoria.

I direct the attention of the house to the importance of the word 'sustainable' and its relation to both resource use and viable economic activity. The second meaning has not been a feature of the debate — that is, identifying the viable long-term economic interests of Victoria in the energy sector.

The Honourable Peter Hall referred to the situation the people of Victoria are confronted with in dealing with their ongoing reliance on electricity generated through brown coal. He rightly stated that in many ways and for many decades Victoria has been beholden to brown coal for its electricity generation. Anybody who understands the Victorian economy, including the cost of generating electricity and its impact on the Victorian economy as a whole and on industry and technological development in particular, will acknowledge that for decades the state has been very much at the mercy of its reserves of brown coal. That natural resource, which has been a blessing for the state, has been used effectively and efficiently. We have become world leaders in using emerging technologies from around the globe to produce electricity efficiently. But sometimes that same blessing can be a burden when it comes to addressing the fundamental question of restructuring in the energy sector on a global scale. Unless we effectively manage the transition from non-renewable to renewable resources, one of Victoria's natural strengths has the potential to be one of its weaknesses. That is fundamental to the debate.

I enter the debate in defence and support of the government's intention to change the emphasis of the program from being merely renewable to including the concept of 'sustainable' in both its meanings — that is, an efficient and viable use of resources and ensuring the long-term viability of industry and energy generation in Victoria.

I record both the context and the dimensions of an issue that for some time has been identified as being of global significance for all responsible governments and world bodies associated with environmental standards and development. Based on the history of the past two decades, it is one of the weightiest issues that any government or community will be dealing with in the future.

According to the Bureau of Meteorology, the 1990s has been Australia's warmest decade in the 90 years since reliable records have been kept. Indeed, five years during the 1990s were in turn the warmest on record — that is, 1990, 1995, 1997, 1998 and 1999. That long-term trend is consistent with global trends recorded throughout the world. On a global scale 1999 was the fifth warmest year on record. On average the temperatures at the end of the 1900s were nearly 1 per cent higher than those at the beginning of the century.

That is a clear indication of the dimension of the issue, which in today's debate has not been as contested as it has been in the past. I am pleased to note that both sides of the house recognise that the issue is significant for Victoria, Australia and the globe and that the opposition is supporting the spirit and intent of the government's initiatives.

The history of the international conventions to which Australia is a signatory was identified starkly at the Rio summit in 1992. The Victorian government is an enthusiastic proponent of Australia meeting its obligations in the area. At that time the United Nations established a convention on climate change, which has been the basic vehicle by which the issue has been pursued internationally ever since. The framework created in 1992 has been added to by a series of conventions and conferences. The most significant was the Kyoto conference, held in December 1997. Targets were set for individual countries, depending on their state of economic development. An attempt was made to facilitate a shift towards all countries meeting their global warming obligations.

In some ways Kyoto did not drive the nail home on many of the undertakings and commitments. A conference held in Buenos Aries in November 1998 tried to pursue the issues and arrive at a logical approach by breaking the issues down to various parameters and trying to consolidate specific initiatives under a number of portfolio areas, such as land use,

forestry and flexibility mechanisms such as emission training and clean development. It looked at the capacity for exchange between highly developed societies that operate under highly developed economic models and societies in the developing world to see how the developed world could assist the developing world. That led to the development of a series of action plans that became known as the Buenos Aries plan of action. A two-year deadline was set for finalising outstanding issues that had been identified at Kyoto, including emission trading and joint implementation activities, and there was further refinement of the proposals. The focus was on how the issues could be implemented on a global scale.

The United States of America, obviously a key player in the world economy, for the first time responded enthusiastically, and that enthusiasm in the global exercise led to a substantial breakthrough by assisting all parties to come to terms with the issues.

The support of the United States may feature more prominently this year in the body politic of the United States of America where one of the presidential candidates, Al Gore, has been an enthusiastic supporter of the issues for some time. An issue of substantial concern in all communities may thus be elevated in the public domain. I optimistically look forward to the issue being a prominent feature of the presidential campaign during the course of 2000.

A conference held in Bonn at the end of last year identified more initiatives and took the issue further. The government anticipates it will culminate in a further meeting of parties at a conference in November at approximately the time of the presidential election in the United States.

The government believes the issues pursued through the introduction of the bill and the emphasis of the program that will flow from its introduction will demonstrate to Victorians and Victorian industries that the government is concerned with not only immediate impacts but practical and cost-effective long-term solutions rather than quick fixes or amelioration that occurs at the margin.

Some time ago I read a book by Amory Lovins and others known as ‘Factor Four’, which discussed the efficient design of facilities and products and the use of energy. The fundamental thesis of this worthy book was that efficiency goes back to the basic principles of design being the solution rather than tinkering in the margins of what is current practice. There are many examples in refrigeration, which is an inherently inefficient system that we have adopted, or with motor vehicles, which are also extremely inefficient, that illustrate the fact that the best way to address energy use is to go back to fundamental redesign.

That was the case with the sorry history of the Sarich engine, which had a degree of notoriety in the 1980s. It improved on the internal combustion engine that had been a feature of all car manufacturing throughout the 20th century. However, unfortunately for the Sarich engine, it is unlikely to achieve full-scale commercial application because its degree of efficiency is incremental and marginal compared with the fundamental efficiency that is anticipated in the emerging technologies in the car industry, such as the hypercar, which reduces energy consumption by a number of times rather than by a percentage. Even worthy initiatives such as the Sarich engine may fall by the wayside, and as a global community we can be pleased that future generations of car manufacturers will base production on the systems that improve energy efficiency in a substantial way rather than in a marginal way.

The Bracks Labor government hopes to create that culture of enthusiasm and motivation in Victoria by looking at the issue in the context of sustainable research and ongoing viable economic activities for the state. That is the cultural change the Bracks government seeks to obtain and promote.

That is not to say that the outgoing mechanism that has served Victoria well since 1990, the Renewable Energy Authority Victoria, did not have its virtues. It played a significant role as a proponent of efficient energy use and in promoting the development of renewable energy technology in this state. Left to its own devices one would anticipate that the initiatives undertaken by Energy Efficiency Victoria, the former Renewable Energy Authority Victoria, would lead to a reduction of 2.6 million tonnes of carbon dioxide emissions over the next 10 years, and that contribution should not be ignored in the context of this debate. It should be acknowledged and applauded.

It is also worthy of note that the incoming Labor government recognises the initiatives of the outgoing government. In August 1998 the former government responded to the global warming issue by releasing Victoria’s greenhouse response action plan, which acknowledged that the Kyoto target was a fair but challenging one.

The response identified a number of initiatives that were supported financially by the former government in a significant way. Some $15 million was spent each

year on initiatives to reduce greenhouse emissions, to enhance greenhouse sinks and to plan for the future.

Three initiatives were funded under that scheme. The first was Replanting Victoria 2020, which aimed to better understand and extend Victoria's greenhouse sink capacity and consisted of four components: a revegetation program, establishing plantations, reforestation and carbon tracking. The Energy Smart Business Cascade program spread the message of energy efficiency throughout the business supply chain. The Greenpower Accreditation and Facilitation program monitored the purchase and delivery of green power by energy providers. That accreditation scheme aimed to build consumer confidence in available green power products.

The Bracks Labor government wants to go on record congratulating the outgoing government on its foresight and initiative in making those commitments and undertakings. The best estimation is that those measures plus other measures implemented under those programs have the capacity to save the globe 2.6 million tonnes of carbon dioxide emissions over the next 10 years.

The government is reinvigorating and reviving enthusiasm for the issue. The priority of government activity is to ensure that the government is not just a passive observer of research and technology but an active proponent in driving such issues further. The outcome of the legislation will be a far greater focus on the facilitation of energy efficiency and the development and use of renewable energy rather than merely research into such issues. The government sees the importance of a renewed focus on the contribution of the authority to the reduction of greenhouse emissions as a major policy objective.

The government will revise the objectives and functions of the authority to encompass the directions outlined in the government's policy commitment and streamline some administrative processes — for example, those that apply to the administration of grants under the scheme and that can be administered by the body itself.

The amendments introduced today will enable that important work to be progressed. I take this opportunity to respond to what was in some ways a challenge laid down by the Honourable Philip Davis regarding what activities the government will bring to this field of endeavour to build on the work being done by Renewable Energy Authority Victoria, soon to be replaced by the Sustainable Energy Authority Victoria. The government's commitments can be summarised in part by the commitments Labor put to the people of Victoria at last year's election. A key number of initiatives were identified to add to the good work that has been undertaken up until now. Those initiatives fall into the following categories, as set out in the government's election policy commitment document:

> Develop greater consumer awareness of the benefits of sound environmental products.
>
> Establish environmental guidelines for electricity retailers including annual reporting of greenhouse gas emission and setting greenhouse gas emission benchmarks apportioned according to market share.
>
> Require electricity retailers to produce greenhouse gas reduction strategies to achieve a reduction in per capita greenhouse gas emissions.
>
> Support the development of carbon trading, which can generate significant additional funds for the planting of new forests, paid for by industries that emit greenhouse gases.
>
> Require all energy companies to disclose, as part of their billing information, the amount of greenhouse gas produced in supplying energy.
>
> Consumers will be advised of the source of their energy (coal, gas, hydro, or green power) and the amount of greenhouse gas pollution associated with their own energy use.
>
> Establish a greenhouse rating system for commercial buildings.
>
> Assist government departments to identify and harness cost-effective opportunities for improving energy efficiency, with a target of reducing energy use — —

Hon. K. M. Smith — You're not reading this, are you?

Hon. G. W. JENNINGS — In this instance, on this page, I am.

The ACTING PRESIDENT (Hon. C. A. Strong) — Order! Ignore the interjection.

Hon. G. W. JENNINGS — It is important for me to be comprehensive in responding to the challenge laid down by the Honourable Philip Davis regarding what the government intends to do. The government will:

> Assist government departments to identify and harness cost-effective opportunities for improving energy efficiency, with a target of reducing energy use in Victorian government buildings by 15 per cent by 2005.
>
> Upgrade the Energy Smart Business program to help companies reach world-class standards in energy use which will reduce costs, improve productivity and cut greenhouse gas emissions.

Hon. Philip Davis — This is a direct take from your policy statement.

Hon. G. W. JENNINGS — That is how I introduced the subject — by reminding the house that the undertakings the government has made — —

Hon. K. M. Smith interjected.

The ACTING PRESIDENT (Hon. C. A. Strong) — Order! Debate will be through the Chair.

Hon. G. W. JENNINGS — Mr Acting President, I appreciate your assistance but, through you, I would like to indicate to the house that it is the intention of the government to satisfy all its undertakings — —

Hon. K. M. Smith — All!

Hon. Philip Davis — I am glad that is on the record.

Hon. K. M. Smith — You are on the record a lot, Gavin. We love it!

Hon. G. W. JENNINGS — I enjoy the opportunity to go on the record and to engage with the opposition in working through the important initiatives the government is bringing into play in the state of Victoria and making sure the opposition shares the government's enthusiasm for the introduction of those new programs. The specific initiative I would like to highlight is the program that the government will be administering to support the introduction of solar hot water services within Victoria.

Hon. Philip Davis — That is what the bill is about.

Hon. G. W. JENNINGS — It is an important undertaking that the government is adding to — —

Hon. M. M. Gould interjected.

Hon. G. W. JENNINGS — That is the challenge. The Honourable Philip Davis challenged me to say what the government is going to do, but when I responded — —

Hon. Philip Davis — On a point of order, Mr Acting President, honourable members have listened to Mr Jennings reciting from copious notes. I understand he was reading directly from a transcript of ALP policy statements. Given that the bill relates specifically to the facilitation of energy grants, my point of order is that the question asked what the government was going to do, apart from the modest initiative introduced by the bill.

The ACTING PRESIDENT (Hon. C. A. Strong) — Order! It is clearly accepted practice in the house that members do not read from notes. They can refer to notes and can canvass any issues they desire. There is no point of order, although I advise the member to paraphrase — to use his own words and not read from notes.

Hon. Philip Davis — Good ruling!

Hon. G. W. JENNINGS — Mr Acting President, I appreciate the point. I have no problem with that. I am happy to turn the page over and to respond to the Honourable Philip Davis by saying the government is happy inside the house and outside the house — in any context — to clearly spell out the undertakings it will pursue and the initiatives it will take to ensure a culture, not only in government programs but across the state, that reflects an understanding and appreciation of the breadth of the issue and its importance to the Victorian economy. The issue will not be swept under the carpet.

I may have erred on the side of being too elaborate in my response to the question. I thought there was a requirement in the house — —

Hon. K. M. Smith interjected.

Hon. G. W. JENNINGS — I am keen to answer questions in this chamber, as honourable members would probably appreciate. The importance of the second-reading speech should not be ignored. The example given earlier by the Honourable Peter Hall about the initiatives being undertaken in the Latrobe Valley that will see the manufacture of wind turbines with a capacity for them to be exported internationally is the type of economic activity and industrial undertaking the government is enthusiastic about supporting in Victoria, to facilitate export opportunities for the state's economy.

In a former incarnation I was associated with members of the trade union movement in the Earth Worker organisation, which did whatever it could to facilitate the development of wind turbine manufacture in the Latrobe Valley. It has the potential to be a significant employer and to generate economic wealth for both the region and Victoria. Through that organisation, and together with some of my colleagues in the Moreland City Council, I played a role in exploring whether there were opportunities for synergies to be developed within the City of Moreland and whether a component manufacturer would support such development in the city and in the Latrobe Valley. Moreland council has a reputation for and history of supporting renewable and sustainable energy use and economic activity in Victoria. That was another occasion on which the trade union movement and local government demonstrated their commitment to and enthusiasm for sustainable

energy use based on sustainable economic development in Victoria.

Material gathered indicates that since 1996 significant job growth has occurred in the renewable energy and sustainable energy sector in New South Wales. The growth is estimated to have been 20 per cent per annum, which is way in excess — five times — of the natural economic growth rate in that state. Since 1996 more than a thousand jobs have been created. It is anticipated that with a similar culture and enthusiasm prevailing and with specific programs being supported by the proposed Sustainable Energy Authority Victoria, the same economic activity and job growth could occur in Victoria. It is also anticipated that approximately three-quarters of such jobs could emerge in regional Victoria.

Today the house was given an example of what is happening in the Latrobe Valley. The government believes it can replicate initiatives already outlined in respect of Geelong and other regions to make a significant contribution not only to the Victorian economy but also to Australia's export potential, which will have a significant impact on rural and regional Victoria.

All honourable members would appreciate that that is a major priority and emphasis of the Bracks Labor government. It is one of the reasons the government made the extensive commitments I have referred to, initiatives that will bear fruit in the field and that underpin the spirit, intent and application of the bill. That is why I am an enthusiastic supporter of the legislation. I commend the bill to the house.

Hon. E. G. STONEY (Central Highlands) — I wish to add a few words in the debate on the bill, having some knowledge of renewable, sustainable and alternative energy, which in my book are close to being one and the same thing.

Hon. R. A. Best — And which occur on your property.

Hon. E. G. STONEY — And which occur on my property. Thank you, Mr Best. I found the second-reading speech extraordinary because unless one reads it carefully it appears as though the new Labor government has discovered for itself alternative power and renewable energy. Listening to the Honourable Glenys Romanes it almost sounded as if the new Labor government has invented alternative energy. As Mr Philip Davis clearly pointed out, the official movement started back during the time of the Hamer government in the 1980s. I acknowledge the statement by Mr Jennings that the Kennett government continued it and improved on it.

The second-reading speech also claims credit for future employment opportunities in country Victoria. The speech reads as though that will all happen after the bill is proclaimed. That was reinforced by Mr Jennings. The second-reading speech states:

> The development of renewable energy is also expected to provide employment opportunities in regional Victoria. It is estimated that up to 75 per cent of jobs created in developing Victoria's regional renewable energy resources would be local jobs.

However, I assure the house that the industry has been around for at least 20 years. Many companies in both Melbourne and rural Victoria have created an important alternate renewable and sustainable energy industry. I have a print-out of a few of those, some of which are reliable companies that operated in the 1990s. I cannot say whether they are still in operation. That proves that the industry is already significant. There are companies in Wodonga, Colac, Shepparton, Surrey Hills and Bairnsdale. Going Solar in North Melbourne is a well-known company, as is Solar Rays in Shepparton. There are also companies in Moe and Leongatha in Mr Hall's electorate and Wandong in the electorate represented by Mr Craige and me. Solar Charge, of Martin Street, Gardenvale, is also a very well-known company. I make the point again that the industry has been firing for 20 years and is going from strength to strength.

I will explain to the house the practical edge of alternate, renewable and sustainable energy as it applies to the end user. I am talking about exploiting things such as solar power, micro-hydro power and wind generation. Mr Hall spoke about the larger end of that market, but I can assure the house that at the smaller end of the market an individual household can have a windmill, and if it is in a windy position can successfully charge batteries. Some of the combinations are supplemented by diesel or petrol generators. There are also applications such as the production of methane at rubbish tips, which is usually more a corporate matter and is often run by local shire councils. However, it is possible to run a small household on alternatives to mains power. At this point I declare a personal interest in the issue. I have built and own a house that is not on mains power because it is 20 kilometres from the mains system.

We have fridges, a deep freeze, a dishwasher, two computers and many lights and we run them successfully with a mixture of micro-hydro and solar power. We supplement those power sources with a

small generator when it is cloudy, as occurs in the mountains from time to time, and the creek is low.

Over many years we have dealt with some reputable suppliers. At Platypus Power, based in my electorate at Bright, Peter and Sharon Barrett have invented a micro-hydro system that uses small quantities of water very efficiently. We purchased that system, and it is magic so long as there is sufficient water in the creek. It charges batteries in combination with the solar panel. It uses diodes and sophisticated computer systems to balance the two, keep the batteries filled and warn us if they are getting down. Platypus is a proactive company. A newsletter from Platypus refers to the Australian Greenhouse Office, which has introduced a photovoltaic rebate program — a federal government scheme that will allocate $31 million over four years. The newsletter states that the program is administered in Victoria by Energy Efficiency Victoria.

Some earlier speakers have alluded to the Victorian and federal government programs that encourage the use of solar hot water systems. An Adelaide company, Beesley, uses solar power supplemented by alternative sources. Selectronic Components Pty Ltd have produced 'the most sophisticated and innovative Sine Wave inverter to be manufactured in Australia'. I own one and it is first class. It produces clean power suitable for modern computers, dishwashers and other electronic equipment. Power waves from generators vary and can damage electronic and sensitive equipment. The company, based at Bayswater, has an after-hours and holiday service. If your power systems fail and you have a freezer you cannot be waiting around. They fix things on the spot. When I had the misfortune of having a breakdown over a New Year period I was satisfied with the service. Such new companies in Victoria are not only keeping up with the times but are at the cutting edge.

I turn briefly to the former Energy Victoria, now Energy Efficiency Victoria. I dealt with the agency when it was situated in Victoria Street; it is now in Spring Street. The staff are most helpful and provide energy information not just to people in remote areas but to every household in Victoria. I visited their office just before lunch and collected some of the brochures. Many honourable members are familiar with the star energy rating system for fridges and freezers. Energy Efficiency Victoria actually names the companies and gives them stars so that energy users have something tangible to go on. The organisation produces brochures on clothes washers and driers, dishwashers, gas water heaters, fridges and freezers and energy-efficient house designs, and gives advice on how best to insulate a house.

The agency gives advice on the most efficient way for a house to face. In my case it is 4 degrees west of north, but it depends on the latitude. I have double glazing, which is an important component, as is insulation. I am concerned that some builders may stint on insulation in houses. Energy Efficiency Victoria provides advice on keeping out drafts, heating and cooling and solar hot water systems, which is a great idea because the system can be supplemented from other power sources. Advice is also given on how to save on energy bills, and on renewable energy power systems.

I have made the point that this bill is not a new initiative, and that Energy Efficiency Victoria provides an important service for energy saving and greenhouse emissions. Therefore, I do not oppose the bill.

Hon. B. W. BISHOP (North Western) — I will add further issues to those raised in the broad debate that has occurred so far. My colleague Mr Stoney hit the nail on the head when he said that the bill is about renewable and alternative energy. I do not want to canvass the issue of who was first and the politics of who did what. Instead, in a practical sense, I will look at different issues.

The debate so far underpins the importance of a reduction in greenhouse gas emissions, which every speaker so far has supported. The best way to do that would be to eliminate emissions of any sort. Although that is not possible, we can make substantial improvements. One way is to adopt carbon credits to combat greenhouse gas emissions. In the top half of the electorate that Mr Best and I represent is a government organisation called Lower Murray Water. It services the domestic and industrial requirements of waste water, sewage, taps and toilets of the communities from Mildura to Swan Hill and from Kerang to Koondrook. It has a water treatment plant at a site at Koorlong, some kilometres out of Mildura, on which it has planted 185 000 trees. It is a fantastic project that has been in place for a number of years. Its computer-controlled systems use water-filtration and water-delivery systems to pump waste water from the City of Mildura to the treatment plant. It uses world best practice in managing waste water. Although many of the trees were planted only a few years ago some are 8 to 10 metres tall. Lower Murray Water is adopting best practice to handle waste water and will get some return from forestry products. It is a good example of the carbon-credit market.

Given that the Kyoto conference drew public attention to the greenhouse issue there is a need for a practical and sustainable market. Work is being done on this issue, but more publicity is required so people realise

the benefits to be gained from joining the market, which is in line with the international approach to carbon credits.

Another example involves governments and environmentalists encouraging farmers to plant farm forestry. There is nothing wrong with that; it is an excellent way to go. Farmers might benefit in a number of ways from farm forestry through lowering the water table, utilising farm forestry products for furniture making — if they plant the right sorts of trees — and participating in the carbon credit market. I am sure that, given the right financial incentives and economic assistance, farmers in some areas would agree to lock up a proportion of their farms for tree planting. It all adds up to achieving a sustainable bottom line. That is why Victoria needs practical planning processes to ensure that it can move into the future with surety. It is also important to have a practical, sustainable carbon credit market.

While listening to previous speakers, I thought about the research that has been already done on alternative forms of energy — and the one that always springs to mind is solar energy. Mr Stoney lives in another part of Victoria, but when you live in the Mallee as I do you are conscious of the solar energy that is there to be used.

When the hot water service at my farmhouse gave up the ghost some years ago, I checked out the cost of solar systems as opposed to standard electric systems. While the solar energy system was much more expensive, the real attraction was the money that could be saved over time, together with the part it plays in looking after the environment.

I believe even more efficiencies could be achieved through the use of solar energy. I recall the old solar energy hot water plants we had when I was a kid, which had heating plates on the ground. Every time you went anywhere near them, it caused a problem: it seemed as though every time you kicked the footie, you broke a plate! Although they often burst in the frost, causing substantial difficulties, the earlier ones were a good try for their time. However, sophisticated systems are now available, and I bet they could be made even better. The plates are now placed on the roof, out of harm's way, and I understand there is less chance of them bursting. Society should be encouraging research into alternative forms of energy — and, coming from the Mallee as I do, I believe it should be looking at solar energy in particular.

I listened with interest to Mr Stoney's run-down on his home's use of solar energy. Home design is tremendously important. When you consider not only how houses were designed and built many years ago but also how much more knowledge we bring to house design today, it is apparent that a great deal could be achieved if more research were done on designing homes that were purpose built to improve cooling and heating.

I can remember visiting Alice Springs where my daughter was working, and examining how the Flynn Hospital was designed to ensure it remained cool. The design was innovative, particularly for those times. We now have the opportunity to build on the research that was done in the early days by using the designs and materials we now have available. Fifty years ago few homes were insulated. Now we have many options, including putting batts in the ceiling, blowing insulation material into wall cavities or putting insulation sheets in the roof or in the walls. You can do different things with the colour and design of roofs to make your house cooler. You can also use an overhang design so that your house is cool whichever way it faces.

Technological advances have given us real opportunities to focus on alternative energy forms. I recall seeing a house with half-gallon demijohns of water embedded in the walls. The afternoon sun warmed the demijohns, the heat from which was transferred into the house during the night. Mr Stoney spoke about other sources that could be used, including methane and wind. Along with many honourable members I remember seeing wind-light systems in action in rural Victoria. They were reasonably efficient means of generating electricity in the days when the old battery systems were in use on many farms. Water is a another well-known source of alternative energy. However, I will concentrate on solar energy because I live in a part of Victoria that has plenty of sunshine.

The opportunities are endless. A previous speaker mentioned the efficiency of the Sarich rotary engine. It is a great pity that the Sarich engine is not widely used in cars and trucks. While I was listening I was wondering how many cars would now have an internal combustion engine if the same level of resources had been put into developing internal combustion as were put into harnessing the uses of steam. When technology is well settled in an industry it is hard to break the mould. It is most important that we act now because we have the equipment and the people to put the results of all the research into effect.

I commend honourable members for the interest they have shown in the debate, which is shared out there in the community. I look forward to some practical leadership in the area because the development of

alternative and renewable forms of energy has become an important feature of our society.

Motion agreed to.

Read second time.

Third reading

Hon. C. C. BROAD (Minister for Energy and Resources) — By leave, I move:

That this bill be now read a third time.

I thank honourable members from both sides of the house who contributed to the debate — the Honourables Elaine Carbines, Glenyys Romanes and Gavin Jennings on the government side and the Honourables Philip Davis, Chris Strong, Peter Hall, Graeme Stoney and Barry Bishop on the opposition side.

It is appropriate that the bill has been supported by both sides of the house. The Renewable Energy Authority Victoria Bill introduced by the previous Labor government in 1990 was also supported by the previous Liberal and National opposition parties, including the Honourable Bruce Chamberlain who became President of the Council.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

CORPORATIONS (VICTORIA) (AMENDMENT) BILL

Second reading

Debate resumed from 1 March; motion of Hon. M. R. THOMSON (Minister for Consumer Affairs).

Hon. C. A. FURLETTI (Templestowe) — The opposition supports the Corporations (Victoria) (Amendment) Bill, the need for which arises from the recent enactment by the federal Parliament of the Corporate Law Economic Reform Program (CLERP) Act, which took effect from yesterday.

The house will recall that in the spring sittings of Parliament cross-vesting legislation was debated. During that period considerable analysis and detailed investigation of the complex interface between federal and state laws was undertaken. The bill is another example of the complexity that can arise in such legislation.

The expression 'cooperative federalism' that was raised during the last sittings is indicative of the rapport and relationship that is essential. At that time it was recognised that a number of areas of law that affected all Australians were appropriately federal law and administered by federal courts or, alternatively, by state courts, in particular at that time family law and corporations law were recognised as appropriate areas for the purposes of administration of justice.

Section 7 of the Corporations (Victoria) Act specifically adopts the federal corporations law outlined in section 82 as Victorian law. The hiatus has been discussed in this place on a number of occasions where the federal law is administered effectively as state law.

The CLERP act introduced a new level of responsibility and supervision in the complex areas relating to the regulation of corporations and with respect to securities. In particular, it affects fundraising by corporations, takeovers by and of corporations, accounting standards and directors' responsibilities.

It is important to analyse the CLERP act to appreciate how this brief and relatively simple bill comes before the house and to appreciate its significance. The CLERP legislation has received wide approval from the business community and from business commentators. It was introduced after consultation between federal and state authorities by rationalising various areas of the law, such as the responsibility of directors in areas of fundraising. It had come to pass that the Trade Practices Act and at a state level fair trading legislation were being used for purposes other than those for which they were originally introduced.

Trade practice and fair trading legislation are broadly referred to as consumer protection legislation directed towards protecting users from unconscionable conduct and the like. To the detriment of a number of directors, this type of legislation was being used to take action against them for misleading or inaccurate statements in prospectuses irrespective of whether they were aware of or had any indication that the material was incorrect and inaccurate. Through those statutory provisions of the trade practices and fair trading legislation a form of strict liability of directors has developed due to the correct interpretation by the courts of that legislation.

The CLERP legislation provides a form of shield for those directors because it provides a so-called business judgment rule so that as from today directors will have the protection of the law if they make honest, informed

and rational business judgments that nevertheless turn out to be incorrect and investors lose their money. It transfers part of the risk back to the investors. It is up to them to make their own inquiries and caveat emptor applies regarding fundraising and the like.

Another initiative is the prohibition of the use of the legal system to delay and disrupt, and in some cases to abort, takeover bids. Until today it was possible to institute proceedings in the Supreme Court to challenge a takeover bid or to resolve disputes that arose in takeover bids before the end of the bid period. If those proceedings were taken the takeover bid could be delayed, extended and frustrated to a large extent.

I am confident that a large number of disputes were legitimate, and the only avenue to resolve those disputes was through the Supreme Court of the respective state. I am equally confident that a large number of disputes were possibly instituted to frustrate, delay or prejudice the bid by the takeover targets or other persons who may have been interested in the takeover.

The CLERP act reconstitutes the Corporations and Securities Panel, which is now the only forum for the resolution of takeover disputes during the bid period. It is relevant to make clear that the act relates to the bid period. By doing so, the jurisdiction of the Supreme Court of Victoria in that area is removed.

The effect of section 7 of the Corporations (Victoria) Act is that sections 659B and 659C of the CLERP act become part of the Victorian law and vary the jurisdiction of the Supreme Court. Although there is no requirement for legislation to give specific enactment to those two sections of the commonwealth provisions — because of section 7 of the Corporations (Victoria) Act — nevertheless they could be held to be inoperative because of section 85 of the Constitution Act. Hence there is a need to specifically refer that effect to section 85(5)(a) of the Constitution Act to satisfy and ensure constitutional validity of the commonwealth provisions in this state.

The opposition recognises the need to have consistency and uniformity in this type of legislation across Australia and other states have enacted similar legislation to section 7 of the Victorian corporations law — that is, it is taken to be a state law. However, Victoria is unique in that it is the only state that has a section 85 of the Constitution Act that requires specific reference to legislation that affects the jurisdiction of the Supreme Court.

The bill is brief and simple. In clause 3 proposed section 56A(1) provides that:

> Except as otherwise provided by section 659B of the Corporations Law of Victoria, a person may not commence court proceedings in relation to a takeover bid, or a proposed takeover bid, before the end of the bid period.

It is envisaged in those circumstances that only the Australian Securities and Investments Commission (ASIC) and other public authorities will be able to take proceedings in a court and that all other disputes will be heard by the new Corporations and Securities Panel.

I hesitate to allow my contribution to pass without briefly commenting on the degree of hypocrisy shown by the government in its use of section 85 statements. Both government members now in the house are newly elected members and would not have heard what their colleagues had to say every time section 85 statements were made by the former government in second-reading speeches in this place. I urge particularly the Minister for Small Business, representing the Attorney-General, to read how the former government was besmirched and criticised when it introduced legislation that contained section 85 statements.

The bill is a classic example of the importance of including a section 85 statement in new legislation. On occasions section 85 statements are needed; this is one such occasion. I criticise the government for its hypocrisy in including section 85 statements in almost one-third of the legislation introduced since it took office.

Having said that, I state that the opposition supports the bill and wishes it a speedy passage so the CLERP act of the commonwealth can take full effect as proposed.

Hon. R. H. BOWDEN (South Eastern) — With Victoria's modern economy and the large and free flow of capital in its economic operations, it is important to have effective and understandable legislation and, to the best of our legislative construction, a degree of certainty so that important private sector investment decisions and resultant dividends that drive the economy can be made in an informed manner for the betterment of the community. In a modern economy such as ours the bill can facilitate that aim and enhance the performance of key investment sectors in society.

Certainty and uniformity in Australia are important, particularly because this country is a major trading nation. During the past few years other countries have made sizeable investments in various Victorian economic industries. Therefore it is important that

Victoria's legislation facilitate the continuing development of the state's economy and, consequently, our standard of living.

The purpose of the bill is to give effect in Victoria to sections 659B and 659C of the commonwealth Corporate Law Economic Reform Program (CLERP) Act so that a takeover bid for a corporation cannot be frustrated by proceedings in Victoria. In the past many takeover actions have been frustrated by objections launched through proceedings in the Supreme Court. The bill will substantially facilitate the aims behind investors making large capital investments.

Under its constitution the commonwealth is able to pass appropriate legislation to assist free enterprise in Australia. To achieve its desired goal of uniformity across the nation the commonwealth needs the states to pass complementary legislation.

The bill is small but important. Proposed section 56A will give effect to the intentions of the commonwealth and Victoria to standardise the Corporations Law provisions. Proposed section 56B addresses certain provisions of section 85 of the Constitution Act that will no longer be available to prevent the operations of legislation. It is necessary to ensure a holistic approach is adopted to legislation in support of the commonwealth's intentions. That is a good philosophical approach to be taken to the bill. The Corporations Law should be common across all Australian jurisdictions. It should be clear, plain and easily implemented so financial bids and takeovers cannot be frustrated by action in a jurisdiction such as the Victorian Supreme Court. The state is an important economic unit.

With those few words I support the bill. It is important that the investment community has predictability and assurances, that the legislative process is working and mechanisms are being put in place to achieve fair, transparent and well documented procedures that will enhance our national economy.

Hon. JENNY MIKAKOS (Jika Jika) — The Corporations (Victoria) (Amendment) Bill, which demonstrates the government's commitment to regulatory reform in the business and investment sector, relates specifically to the national regulatory framework for takeovers in Australia.

Firstly, I will make some general comments on the increase in the number of takeovers in Australia. After the frenzy of the 1980s and early 1990s, takeovers had petered out over the past few years, but recently there has been an increase in the use of takeovers as a strategy in the corporate sector. Takeovers provide for increased efficiencies and economies of scale and enable Australian corporations to better compete with large multinational corporations in the world market. However, many Australians, including me, are concerned about the decrease in competition and the ramifications for Australian workers of takeovers again becoming the flavour of the month.

By way of example I note the recent announcement by the Commonwealth Bank that it will take over the Colonial State Bank. At the same time I received a letter from the Commonwealth Bank advising me that it is about to shut down two branches in my electorate. Given the timing, my constituents would have good reason to question the benefits they will derive from the takeover.

The bill arises from the government's commitment to national uniformity in corporations and securities regulation. More specifically, the bill is required to give effect to the establishment of a new Corporations and Securities Panel under the Corporate Law Economic Reform Program Act — known as the CLERP act — which was passed by the commonwealth Parliament on 20 October 1999. Before addressing the specifics of the bill, by way of background I will comment generally on the CLERP act. Among many other matters on which the Honourable Carlo Furletti went into some detail, the CLERP act makes a number of changes to the way takeovers are regulated in Australia. The CLERP act changes the jurisdiction of the courts during the takeover bid period, which can take from 1 month to 12 months. The CLERP act reconstitutes the Corporations and Securities Panel as the sole forum for the resolution of disputes during the bid period, because litigation has been used frequently as a delaying tactic by different parties to thwart a takeover from proceeding.

The provisions of the Corporations Law relating to the Corporations and Securities Panel that were inserted by the CLERP act were subject to some debate and amendment in the Senate. The provisions allow any party affected by a takeover dispute to lodge an application before the Corporations and Securities Panel, which has the power to declare circumstances to be unacceptable whether or not they constitute a contravention of the Corporations Law. The panel is also able to make orders and declarations.

It is worth noting some of the concerns expressed about the CLERP provisions to which the bill will give effect. In the Senate debate on the CLERP act on 12 October 1999, Senators Conroy and Cooney noted that the Corporations and Securities Panel is based on the

United Kingdom model. They expressed doubt about Australia's ability to emulate the success of that model, given the less adversarial and less litigious approach of British corporations compared with Australian corporations.

I am inclined to agree with the concerns expressed by Senators Conroy and Cooney and will watch with interest how the Corporations and Securities Panel gets on. It is intended that the panel will operate informally without adopting formal rules of evidence. If it is to be successful, the panel will need to have the support of Australian corporations based on the spirit and not just the terms and provisions of the CLERP provisions.

On 8 March the commonwealth announced the appointment of 17 new panel members, bringing the total to 28. The three new appointees from Victoria are Professor Ian Ramsay, from the Melbourne University law school; Mr Michael Tilley, the managing director of investment banking at Merrill Lynch; and Ms Karen Wood, the company secretary of Bonlac Ltd. I congratulate the Victorian appointees and wish them well in their new roles.

Turning to the bill, clause 3 will insert two new sections into the Corporations (Victoria) Act, which gives effect to the Corporations Law as a law of Victoria. Proposed section 56A will give practical effect to sections 659B and 659C of the Corporations Law, which commenced operation as a law of Victoria yesterday. That is because section 7 of the Corporations (Victoria) Act results in any amendment by the commonwealth Parliament to the Corporations Law, such as the CLERP act, operating as an amendment to the Corporations Law without any action on the part of the Victorian Parliament being required.

The effect of sections 659A to 659C of the Corporations Law is to restrict litigation being used during a takeover bid period while limiting the court's jurisdiction at the conclusion of a bid to the awarding of damages. Proposed section 56A will be inserted into the Corporations (Victoria) Act to give effect to the provisions of the CLERP act. Proposed subsection 56A(1) provides that proceedings in relation to takeover bids or proposed takeover bids, except as provided by section 659B of the Corporations Law, may not be commenced before the end of the bid period. In that respect, I note that section 659B allows the Australian Securities and Investment Commission or a commonwealth or state public authority to bring court proceedings during the course of a takeover bid. Obviously that will be done in limited circumstances to resolve questions of law that might arise during the course of a takeover bid.

Proposed subsection 56A(2) limits the power of the court to the awarding of damages as provided in section 659C. Proposed section 56B of the Corporations (Victoria) Act provides that it is the intention of proposed section 56A to alter or vary the jurisdiction of the Supreme Court of Victoria as provided in section 85 of the Constitution Act. That alteration or variation is appropriate and desirable in the current circumstances.

In conclusion, I record my support for the bill and note that I will be watching with interest to see how the new Corporations and Securities Panel will operate in practice and whether it will in effect experience the problems which the federal Labor senators noted in the Senate debate on the CLERP provisions. I hope that the take-up of takeovers in the corporate sector will not adversely impact on Victorian consumers and workers.

Hon. D. G. HADDEN (Ballarat) — I support the Corporations (Victoria) (Amendment) Bill, which amends the Corporations (Victoria) Act and the commonwealth Corporate Law Economic Reform Program Act. That act, which commenced yesterday, 13 March, and is colloquially known as the CLERP act, introduces significant reforms to the fundraising, takeover, directors' duty and accounting standards provisions of the Corporations Law. Those reforms in the commonwealth act will become part of the Corporations Law in Victoria by virtue of section 7 of the Corporations (Victoria) Act.

Clause 3 inserts proposed sections 56A and 56B into the Corporations (Victoria) Act. They prevent proceedings relating to proposed takeover bids commencing in a court before the end of the bid period, except as otherwise provided for in section 659B of the Corporations Law of Victoria. Proposed section 56A(2) limits the court's powers under the Corporations Law of Victoria in relation to conduct that contravenes that law as provided by section 659C of that law.

Sections 659B and 659C of the commonwealth act remove the court's jurisdiction during a takeover bid and give jurisdiction to the Corporations and Securities Panel as the sole forum for the resolution of takeover disputes.

Proposed section 56B limits the Supreme Court's jurisdiction and contains that all-important and necessary section 85 statement. It says:

> It is the intention of section 56A to alter or vary section 85 of the Constitution Act 1975.

The intention of the bill is to minimise the delays and disruptions that follow takeover bids, to ensure

uniformity of corporations, agreement with other states and effective regulation of corporations and securities in Victoria. The bill is yet another example of the Bracks Labor government fulfilling its promise to be consultative and open to the state of Victoria. I commend the bill to the house.

Motion agreed to by absolute majority.

Read second time; by leave, proceeded to third reading.

Third reading

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

That this bill be now read a third time.

I thank the honourable members who have contributed to the debate.

Motion agreed to by absolute majority.

Read third time.

Remaining stages

Passed remaining stages.

PREVENTION OF CRUELTY TO ANIMALS (AMENDMENT) BILL

Second reading

Debate resumed from 1 March; motion of Hon. C. C. BROAD (Minister for Energy and Resources).

Hon. B. W. BISHOP (North Western) — It is with some interest that I contribute to debate on the Prevention of Cruelty to Animals (Amendment) Bill, which in some circles I move in is known as the Dogs in Utes Bill.

The bill simplifies the code of practice process by taking out one of the steps between the minister and the Governor. At present the minister seeks approval from the Governor to prepare a code of practice; after the Governor's approval has been obtained the minister may go ahead and draw up the code; the minister then seeks further approval for the code from the Governor; the code is then tabled in Parliament for 14 days, thus ensuring that the 14-day parliamentary accountability and transparency requirement is met; after that the code is gazetted; and, finally, the code takes effect. The bill will allow the minister to see the Governor and recommend a code of practice, which would then come directly to Parliament for its 14-day tabling.

I do not have a problem with that. However, I ask the minister to inform the house of the protocols that will apply. Under the old system the Governor had two opportunities to look at the code. I suspect it may be helpful for the Governor, if there are any doubts, to have the time to check out and research the code that has been presented. I assume that has been built into the new process, but I ask the minister to respond to that concern, perhaps during the third-reading stage.

The new process would see the code go straight through. It is a good mechanism for speeding up the process.

I now turn to the provision that deals with the carriage of dogs on the back of utes or trucks. Legislation introduced some time ago provoked a fair amount of debate, much of which was banter, and gave rise to some amusement. Many honourable members thought it was overdone, and I remember my very good friend the Honourable Dick de Fegely asking, when he was Government Whip, 'What are you going to do with the bill?'. I said, 'Probably almost speak against it and vote for it', so it was rather an amusing time in the house.

The care of animals, particularly when they are riding in the back of utes or on open trays behind the cabin, is a serious issue. I comment tonight in the hope that some practicality may prevail. My very good friend and colleague the honourable member for Rodney in another place, Mr Noel Maughan, has been a strong advocate for the bill in the belief that more focus on the care of dogs is needed to ensure that when they are carried on open-tray trucks such as Holden one-tonners or in the backs of utes or other trucks they are well looked after. He is a passionate supporter of the bill.

I have often passed a utility tray truck and observed that a dog is not tethered adequately. I always jokingly say I will give Noel a ring! Once I rang him up and suggested he make a citizen's arrest on the spot. I was prepared to give him the registration number of the offending vehicle.

The banter that has come with the debate on the bill has been good for the house, but again I make the point that taking care of dogs travelling in the backs of utes or trucks is a serious matter. It can be unsafe — there is no doubt about that. All honourable members would have seen the Holden 1-tonne utility trucks with flat trays used by builders. Many a time I have seen a Holden one-tonner with a flat tray carrying a cement mixer, a wheelbarrow, a ladder — just about everything you could think of! — in the back with a pet labrador balancing on it. Obviously that is unsafe. The

amendments the bill introduces no doubt will go a long way towards correcting that situation.

Years ago utes did not have flat trays. Mostly utilities, in the old measurement, had 18-inch sides. The bill is important because nowadays many more farm utility trucks have a flat tray rather than the tray with the extended sides that was common many years ago. Obviously dogs, whether farm dogs, pet dogs or whatever, are much more at risk in a utility truck with a flat tray than an older style one.

I am sure everyone would have noticed that dogs riding in the backs of utility trucks with raised sides enjoy it very much. Everyone would have seen the dog leaning out over the ute with the eyes half shut, having a wonderful time riding along the road and taking everything into consideration, probably giving passing traffic a little advice from time to time. In an old-style ute it is easy for dogs to brace their bodies against the higher sides of the tray, but many farm utes now have a flat-type tray.

Tonight I want to inject some practicality into debate on the bill regarding working dogs on farms. My farmer friends and colleagues and I value our dogs extremely highly. I am talking about working dogs. I am not precluding pet dogs; I am sure they are valued in a separate, slightly different way, but certainly farmers value their dogs immensely. They are valuable not only for their part in the structure of a working farm but as workers themselves.

Obviously every good dog is worth an enormous amount of money and certainly is a great resource in getting the job done, regardless of whether the farm runs cattle or sheep. Farmers working closely with dogs become particularly attached to them. I have never seen a dog on a farm that the farmer is not attached to, simply because they work closely together every day. Farmers' dogs get on the back of the ute. A really good dog might ride in the front of the ute, the first-class position — up the front of the aeroplane, you might say!

I am sure any of my colleagues who have an agricultural bent or have had something to do with dogs on farms would have a strong view that dogs own the farm ute. I am sure that if dogs could talk there would be no argument about dogs owning the farm ute. For years I have observed dogs on hot days lying under utes. They are always very smart about moving at the right time. No-one could get into a ute and turn the key quickly enough to cause them any damage.

Ownership is a great thing. Ownership of utes and of dogs goes hand in hand, or perhaps I might say paw in paw! Not only do dogs lie under the ute; they also lie in it. If the ute door is left slightly ajar on a cold day, the dog will be there keeping the seat warm for you — that would be the dog's argument, anyway! The best place for a dog that is not too big is behind the head of the driver, with a view out the front window. I do not know whether the bill details whether a dog should be tied if sitting in the front of the ute. I am sure any farmer would argue that the farm dog is a strong contender for ownership of the farm ute. I guess every farmer would have had good dogs. My dogs were probably not as good as my father's because of my lack of patience in training them.

When the bill was first introduced I took some objection to it because I interpreted it as suggesting that farmers might not have been prepared to take care of their dogs, an argument I rejected for the reasons I have stated and also for the further reasons I am about to state.

Most farms have a Lass. I do not know of a farm that has not had a Lass as a dog. Most dogs called Lass have been pretty good. We had a few dogs called Lass, but one particularly was expert in bringing in the cows when we used to milk cows. She could bring them in in rain, fog, dark — whatever.

Farm dogs being what they are to a farmer, a farmer cares for those dogs as a matter of course, with or without legislation. Whether or not you are a farmer, it is good to see a good dog working. My good friend and colleague Mr Barry Steggall and I saw the dogs working at the sheepdog trials at Wedderburn. It was marvellous to see the command the owner had over the dog as the dog cast out and took the sheep through the drafting gates. The love of the dog for the task is well seen in doing the work during those trials. A farmer has an enormous amount of care, time and respect for the dog, with or without legislation — it does not make that much difference.

On our property there are more sheep than cattle, so the argument has always been which is the best sort of dog — the dog who could work in the paddock or the one who could work in the yard. If you were not lucky enough to have a good all-rounder dog who could do both, which was a bit unusual — —

Hon. E. G. Stoney — Or have two dogs.

Hon. B. W. BISHOP — You could be lucky; you could have two dogs. However, given a choice between the two most farmers would always select the dog who

could work in the yard. Farmers show respect to the dogs that work in the yard, because they are brilliant and courageous. If they cannot get over the sheep — which most times they can do readily — they will go under them, bring them from the back of the pens and put them where they should be, even if that is into trucks. To watch a good dog working and see how it can manage situations is magical; a dog can do far more than a human would be able to do. I again make the point that a farmer's respect for a dog is related to the ability of the two to work together.

Most farms have also had a dog called Bob. We have had a few Bobs — —

Hon. N. B. Lucas — I have a dog called Watto.

Hon. B. W. BISHOP — I will test out your dog to see how good it is, Mr Lucas; bring it up one weekend to see how it goes. Bob had to get in and out of the ute. He was not tied up because it would have meant he could not have done his job in the paddocks. When I drove up to a mob of sheep in a paddock Bob had the capacity to hop out of the ute and catch from the mob one sheep that was affected by flies — a common occurrence in sheep farming. A dog weaving its way through a mob, picking out one with blowfly strike and catching hold of it until the owner gets there, is a magical act. If Bob had been tied in the ute all the time he would not have been able to hop out and get the sheep that were so much in need of attention. I reiterate the point that that was in the paddock.

I remember once working with Merino wethers, which are probably the most difficult sheep to work with. I raise the point to convey to the house the worth of a good dog and the capacity of its owner — a farmer in this case — to not only look after but also treasure a dog. Anyone who has tried without a decent dog to get three-or-four-year-old Merino wethers into a shearing shed they do not want to go into because they have been shorn there a couple of times previously will know the worth of a good dog. I reiterate the nature of the relationship between farmers and their dogs.

I remember the last time the issue was debated in the house the point about working dogs being able to hop in and out of vehicles at will to shift sheep or cattle was exempted.

I again turn to the sheer practicality of the bill. All honourable members will have seen sheep or cattle being moved along country roads, whether busy or not. In such situations dogs work the stock backwards and forwards. A farmer with two dogs — which Mr Stoney intimated would be a great advantage — may have one dog go ahead — —

Hon. E. G. Stoney — Bob and Lass.

Hon. B. W. BISHOP — Yes; in fact I think there once was a Bob and a Lass. Bob would go ahead and hold the cattle or sheep in line and Lass would round them up at the back. Such dogs need the opportunity to hop in and out of utes as they work cattle and sheep and move them along the roads. I am absolutely certain that the understanding of their need to be exempted will be reflected in the legislation. I am really talking about a practical understanding of working dogs and their place on farms, and how they work with their owners in such situations or when travelling from place to place.

There has been talk about farms that have expanded over time because neighbours have bought them, and not only in broadacre areas. For example, three neighbours may have bought a block each. Such farms can become a little scattered. I hope a practical requirement is put in place for farmers who must travel in utes from one block or one farm to another — it might be only half a mile — and who want to work sheep with a Bob or Lass in the back. Most farm vehicles that are classed as utes, whether or not they have flat trays, do not travel at high speed during such activities, for a couple of reasons. One is that they cannot, because as we all know Victoria's local roads are not all that flash. The other is that sometimes the farm ute is not all that flash either and will not go fast. Such vehicles are slow moving when travelling from one part of a farm to another, particularly if they are using rural roads on normal working days.

I am not sure how another point raised earlier should be addressed. When moving ewes and lambs it is standard practice to have a crate on the back of a ute. It is done everywhere. That means that ewes and lambs that slow down for whatever reason can be loaded onto the back of a utility, where they will sit until the destination has been reached. I have a real problem with a dog being tied up in the back of a ute that has a crate in it. Firstly, it is difficult to get to the dog to tie it up. Secondly, the dog cannot get out if it is tied up. A practical solution is needed where working dogs move stock along rural roads. I am sure the same practice is followed in your electorate, Mr Smith, but probably more with cattle than sheep.

Hon. K. M. Smith interjected.

Hon. B. W. BISHOP — Often when there is a crate on the back of a ute the door is shut so the dog cannot get out, and when the working day starts the doors are

pinned back so the dog can hop in and out. A dog in a ute that had a crate in it would not go off to the side.

Although I remember the last time the bill was debated, I cannot recall the exact year. The minister of the day said there was no real intention that inspectors from the Royal Society for the Prevention of Cruelty to Animals, local government inspectors, police officers, or whoever it might be, should search out people who in a working capacity and on a normal working day were using dogs in utes or on trucks with flat trays. I am sure that will happen again and that practicality and commonsense will be maintained as the amendment process is gone through.

I am sure that all honourable members who take part in this debate or who have taken the care to think about the bill and this issue would support the need to take good care of dogs, regardless of whether they are working dogs or pet dogs. I make the point that I am talking mainly about working dogs travelling in the backs of working vehicles. I make a clear distinction between pet and family dogs and working dogs. I have both. I have a Jack Russell terrier called Nick, who is absolutely useless for working cattle and sheep, but is a good dog and he gets well looked after. I am sure that Nick would not ride in the back of a utility. His status in life is substantially higher than that; he would ride in the front of the utility, thank you very much. I make the distinction between the two types of dogs. I am sure that people with pet dogs love their dogs very much and maintain them with the same care as farmers maintain their dogs.

I again direct to the attention of the house the builder or farmer with the flat-top utility or the cement mixer with a wheelbarrow attached or the Holden 1-tonne utility with the Labrador balancing on top. I am sure all farmers understand the need for some care when carrying dogs on the back of vehicles. It is also important not to have objects rolling around in the tray, because I believe that is far more important than having the dog tethered. Loose objects rolling around can injure the dog.

I hope honourable members will think about the distinction that I am making in my contribution today. I hope also that RSPCA officers, local government inspectors and police officers understand this distinction. A working dog on the farm is highly respected and is an integral part of the farm. It is well looked after and has a close relationship with the owner. I know from time to time an inspector will see someone like my son or me shifting cattle or sheep along the road. The dog will not be tethered in the back of the ute because it will be hopping in and out doing its job. I hope that is treated as it was in the principal act. The key part of my comments is that everyone cares for their dogs, often in a different way. I am sure that members of the farming community care for their dogs because of their real respect for them and because they are part of the structure, a working element of the farm and treasured by the farmer.

I again emphasise that farm utilities, whether they have high or low sides, with crates or without crates, will be as inseparable from farm dogs as they have been in the past. The farm dog and the utility are a valuable working unit of the farmer. I am sure farmers will ensure that farm dogs have safe and secure travel arrangements with the practicality that is so sorely needed in today's farming enterprise.

Hon. D. G. HADDEN (Ballarat) — The Prevention of Cruelty to Animals Act provides some protection for the welfare of animals kept or used in a variety of circumstances. The purpose of the amending bill is to further provide for the safe carriage of dogs on vehicles such as motor vehicles with trays and trailers as well as to amend the method of making codes of practice. Clause 4 amends the principal act to simplify procedures for making codes of practice under section 7(1). The amendment allows the Governor in Council, on the minister's recommendation, to make a code of practice which then proceeds directly to Parliament for the statutory 14-day exposure period. Therefore, the current complicated procedure will be simplified while maintaining the checks and balances.

The next amendment in clause 5 is to section 15A of the principal act to provide for the safety and welfare of dogs in moving vehicles. The amendment inserts a new definition of tray in section 15A(1). It states:

> "tray" means a part of a motor vehicle behind the cabin that is an open compartment and is principally constructed to carry a load.

The difficulty currently is one of interpretation in the meaning of truck and open tray. An open tray can have many meanings, as we have heard from Mr Bishop. The principal act does not have a definition of truck and the definition in the Road Safety Act is restricted to 15-tonne vehicles and excludes utilities. The definition in clause 5 is clear and unambiguous.

The amendments to section 15A(2) will clarify the vehicles to which the subsection applies and make consequential amendments to the meaning of a motor vehicle with a tray. Of course, the word 'motor vehicle' has the same meaning as in the Road Safety Act. One example I saw recently of the safe carriage of goods was at Beaufort where a tray utility had a customised

cage on the back of the vehicle. The cage had two working dogs in it and had a roof on the top to protect them from the weather. That caught my attention and I hope in time we may work towards an amendment such as that for dogs on moving vehicles on the open highway as opposed to what Mr Bishop said of moving from paddock to paddock.

The purpose of the amendments to the principal act is to ensure that the carriage of dogs on moving motor vehicles with trays and trailers is done safely as well as to ensure that enforcement is not open to legal challenge or technical definition. Although farmers do respect and love their working dogs there is a question of education and good sense so that the senior farmer on the property can educate his progeny about the safe carriage of farm dogs. I commend the bill to the house.

Hon. E. J. POWELL (North Eastern) — In making my small contribution I have to say that it was enlightening and interesting to hear from Mr Bishop who has a working knowledge of farm dogs and utilities. I do not profess to have the same level of experience with dogs, particularly working dogs, as does Mr Bishop, but in my job as a rural member of Parliament I have seen first-hand the wonderful bond between the farmer and the working dog. It was interesting that Mr Bishop made the distinction between working dogs and the family pet. The farmer sees the working dog as more important than the home dog.

The purpose of the bill is to amend the Prevention of Cruelty to Animals Act. The act already provides comprehensive protection for animals that are kept or used in a wide variety of circumstances. Although the legislation is wide, the amendment is small.

The bill clarifies the type of vehicle in which it is an offence to carry an unrestrained dog and amends the method of making codes of practice. Clause 5 relates to dogs on moving vehicles and clarifies the meaning of 'truck' and 'open tray'. The definition used in the Prevention of Cruelty to Animals Act, which was also used in the Road Safety Act, was restrictive and left open to interpretation the meaning of 'truck' and 'motor vehicle'. The amendment will clarify those terms.

The act covers only vehicles that exceed 4.5 tonnes in gross vehicle mass. That excludes utilities as we know them and farm utilities in particular, which were intended to be included in the original legislation. By inserting new definitions in section 15A of the act, clause 5 seeks to clarify the anomaly, and I believe it does. The bill protects dogs that are conveyed on utility vehicles, and it removes the reference to trucks with open trays and replaces it with a reference to motor vehicles with open trays.

As the Honourable Barry Bishop said, the government must ensure there is a commonsense approach to the legislation. It should not restrict farmers and their animals unnecessarily. Mr Bishop talked about working dogs moving cattle on roads and farms. It would be ridiculous to suggest that farmers could be fined on their own farms for allowing their dogs to jump off and onto the trays of their utilities while they are moving sheep or cows from one place to another or putting them into cattle yards and so forth. Farmers could not be expected to tie their dogs to the trays in those instances. The legislation is intended not to make it harder for farmers to work on their own farms but to ensure their animals are protected and restrained while travelling along local roads and highways.

Mr Bishop painted an eloquent scenario depicting the way in which dogs are used to move livestock. They are used even more than motorbikes, which is a much more time-consuming method. The dogs are bred for that type of work, and they are well trained and intelligent. The bill is not intended to stop farmers from allowing their dogs to jump on and off the tray or in and out of the front seat of their utilities in those circumstances.

Mr Bishop spoke of the special relationship between the farmer and the working dog. It is important to understand the value that farmers place on their dogs and the price that some dogs can bring. For example, a pup bred from good working stock can cost up to $800. Farmers understand the value of good working dogs — and, more importantly, what they have to pay for them. They do not want to see their dogs falling off trucks, so they will use their own commonsense to ensure their animals are well looked after and well tethered.

Today I spoke to a veterinary surgeon, Cathy Grant, who works at the Shepparton Veterinary Clinic. I asked her for some facts and figures on whether there has been any diminution in the number of injuries to animals since the principal legislation was introduced in 1995. Cathy Grant said that there are far fewer injuries now than there were before 1995. That could be due to the legislation or to the fact that farmers and the broader community are becoming more aware of how dangerous it is for animals, and dogs in particular, to travel untethered in farm utes and other vehicles. People have been educated about the dangers. There should be more emphasis on education and information and less on legislation and enforcement.

Cathy told me that she now treats about six dogs a year that have been injured as a result of falling from moving vehicles. By comparison, when she worked in Swan Hill and the Mallee about six years ago, which was before the introduction of the legislation requiring dogs travelling in utes and other moving vehicles to be restrained, she treated about one dog every fortnight — approximately 26 dogs a year. That might not seem a lot, but it should be remembered that she treats only the dogs that survive and not the ones that have been killed as a result of jumping or falling from cars and being run over by vehicles travelling along behind — and we are told we must not swerve to avoid dogs on roads. The figures she has given me are a conservative estimate of the number of accidents, because they represent just the dogs she is treating.

When I asked her about the types of injuries those dogs sustain, she explained that they are injuries that generally put the dogs out of action for a long time — such as broken legs, broken thighs and even head injuries. Dogs do not run very well with broken legs or thighs, so those sorts of injuries have an impact on farmers who need their dogs to be working on a day-to-day basis. A farmer cannot just get any dog to do the job, because the farmer and his dog usually work in partnership.

Dogs travelling in the backs of utes can sustain other sorts of injuries because of the things that farmers and tradesmen carry in their vehicles. For example, a farmer might put barbed wire or a shovel in the back of his ute and a tradesman might carry heavy tools in his. If those items are not restrained and the vehicle stops suddenly or turns sharply around a corner, a dog travelling in the back could sustain injuries from being hit by those implements. People need to be educated about the risks of having their dogs untethered — or even tethered — in the backs of their utes.

As I said earlier, farmers are not the only ones who can put their animals at risk. For example, builders and bricklayers sometimes take their dogs to their work sites untethered in the back of their utes or in the front seats. However, as the Honourable Barry Bishop said, more often than not the dogs that travel in the front seat are pretty special and their owners have paid a high price for them. But if they travel in the back, it usually means they are working dogs that are used to being there! Because there has been a building boom in Shepparton, one often sees dogs at building sites with their owners. Some sites do not allow workers to bring their dogs, but many still do. It is good to see that many of those people restrain their dogs in the back of their utilities — and it is important that that continues.

Rather than the government taking a big-stick approach and saying that animals have to be protected by legislation, it is taking a more commonsense approach, encouraging people to understand what can happen to their animals if they are untethered. The government might even consider undertaking as part of a review what happens to dogs when they fall off the backs of utes or trucks, including the types of injuries they sustain and the stress that causes to either the owners of the animals or the persons who injure the dogs by running over them.

Clause 6 includes a transitional provision that preserves existing codes of practice. It also allows the Governor in Council to vary or revoke them as if they had already been made by the Governor in Council. That commonsense inclusion clarifies the issue.

In 1994 the honourable member for Rodney in another place carried out a review of legislation and amendments to the 1995 act. He spoke with the Royal Society for the Prevention of Cruelty to Animals (RSPCA), many lobby groups and animal welfare groups and people interested in animal protection. The aim of the bill is not to change that legislation but to amend some of the anomalies. I know the RSPCA would like to go even further than restraining dogs in the back of utilities. It would also like dogs in the seats of utilities or cars to be put in harnesses. A vet I spoke with said the harnesses would cost about $24. The need for harnesses can be examined for future legislation. The RSPCA is pleased with the legislation but would like to see it go further, as would some veterinary surgeons.

The review was far ranging and included fish, crustaceans and other animals with which the house is not dealing today. The legislation provides for education about the handling of animals rather than enforcement. In the main, farmers and others look after the welfare of their animals. We have come a long way with what is allowed in the back of utes — for example, builders now have their special tools in boxes and many of the new vehicles have compartments for builders' materials and tools. Today rifles are not allowed to be carried in the back of utilities. We are much more responsible. I commend the bill to the house.

Hon. KAYE DARVENIZA (Melbourne West) — I am pleased to contribute to the Prevention of Cruelty to Animals (Amendment) Bill. It is important to acknowledge that the amendments were motivated by the desire to prevent cruelty and accidents to animals. Mr Bishop spoke about his dogs. I also have dogs, none named Bob, but one named Culley and one named Maeve. They would like to ride in the back of a ute or

hang their heads out of the window. I grew up in rural Victoria and know how much working dogs enjoy their work. The bill is not about restricting the ability of farmers and their working dogs to carry out the important and necessary work they do on farms or even along roadways to move or graze stock.

It is important that dogs are kept safe and out of danger. The bill clarifies the definition of a vehicle in section 15A of the Prevention of Cruelty to Animals Act. There had been some difficulty in the administration of that section because of the interpretation of a truck with an open tray. The amendment to section 15A of the 1995 act was intended to cover utilities that had raised sides. However, that was not the case and this legislation clarifies the type of vehicle covered.

It is important to examine some of the injuries and accidents that have occurred which motivated the 1986 legislation and the subsequent amendments. The Honourable Jeanette Powell talked about her local veterinary clinic in Shepparton and the number of animals that encounter injuries while travelling on the back of vehicles.

In 1990 the Australian Veterinarian Association carried out a survey of both city and rural veterinary practitioners to ascertain the prevalence of injuries to dogs falling from the back of utilities, trailers and trucks. Some 156 practitioners responded, including 65 from regional Victoria. The survey indicated that about 800 dogs had been treated in practices following falls from trucks or trailers over the 12 months prior to the survey. Of those, an estimated 566 falls occurred in areas covered by rural practitioners.

The statistics alluded to by the Honourable Jeanette Powell reveal that following amendments to the act accidents are not happening at the same rate and people have become more educated about the injuries that can occur.

The survey did not deal with the number of dogs that may have died from injuries. When the Prevention of Cruelty to Animals Act was passed by Parliament in 1995 it was thought that section 15A clearly defined vehicles and included covered utility trucks with raised sides. However, in 1996 the Victorian Government Solicitor advised the police that pending clarification by statutory amendment, the only types of vehicles to which section 15A clearly applied were trailers as defined in the Road Safety Act, and trucks and utilities with open flat trays and without raised sides.

Opinion was also sought by the Royal Society for the Prevention of Cruelty to Animals (RSPCA) from an independent lawyer. That advice of February 1996 concluded that it appeared that a utility is not a motor vehicle within the meaning of the Road Safety Act and therefore, section 15A(2)(b) did not apply to dogs travelling in vehicles. It was further considered that if that section was challenged it was likely that the court would find the provision did not include utilities.

The bill clarifies the definition of vehicle in the legislation. Clause 5 amends the principal act to cover dogs on moving vehicles and makes the offence apply to all motor vehicles with trays. The bill inserts a new definition of tray into section 15A. Tray is defined to mean a part of a motor vehicle behind the cabin that is an open compartment and is principally constructed to carry a load. The principal thrust of the bill is to clarify the definition in the legislation so everybody knows what vehicles are prescribed for the safe carrying and restraining of dogs.

The second thrust of the bill streamlines the making of a code of practice. That is an important provision because the process to establish codes of practice has been complicated and cumbersome. Without removing any of the necessary checks and balances the bill inserts a simplified and uncomplicated procedure.

Under the act, a number of steps must be taken to make a code of practice. Firstly, the minister must seek approval from the Governor in Council to prepare a code of practice. In other words, even before the minister commences to prepare a code of practice he or she must seek the approval of the Governor in Council. Following that approval the minister makes a code. The third step is for the minister to seek the further approval of the code by the Governor in Council. That further approval, once granted, is tabled in Parliament for 14 sitting days. Finally, the code is gazetted, at which stage it takes effect.

The bill deletes a number of cumbersome steps and streamlines the process without removing any checks and balances. The proposed amendment will allow the Governor in Council, on the recommendation of the minister, to make a code of practice which need not be returned to the Governor in Council for further approval. The code would need to be presented to Parliament for the 14-day exposure period.

In conclusion, I point out that the bill is important because the government wants to prevent injury and danger to animals, whether they be working animals on farms or family pets. It wants to provide for their safe carriage in vehicles, particularly work vehicles. The bill

ensures that dogs carried on motor vehicles must be restrained in such a way that they will be safe. It also provides that the Governor in Council can establish a code of practice on the recommendation of a minister. I commend the bill to the house.

Hon. R. H. BOWDEN (South Eastern) — The prevention of cruelty to animals is truly important in a sophisticated society. Throughout my life I have owned and enjoyed animals. The treatment of animals is a mark of the respect that society has for itself; we must do all we can to prevent cruelty to them.

The Prevention of Cruelty to Animals (Amendment) Bill streamlines the mechanisms through which a code of practice can be made. Other honourable members have referred to the details of that provision. It is good that the streamlining will remove unnecessary steps so that the Governor in Council can easily act on the recommendation of the minister. The code developed will be presented to Parliament for the required statutory 14 sitting days so that the community, through its elected representatives, has the opportunity to ensure that amendments to a code are prudent, practical and of a high order.

I draw the attention of the house to comments made by the Honourable Barry Bishop. He went to considerable lengths to point out the importance of and the practical contribution made by working dogs in the farming community. The difference between working dogs and pets is enormous. The practical on-farm use and respect that farmers have for their working dogs is well known. Most honourable members would have visited farms and seen the mutual affection and interaction between farmers and their dogs, and the consequent farm productivity that results from the close relationship between farmers and their dogs.

I suggest to members of the government that one aspect of the bill could benefit from some further thought. In recent years the design of farm vehicles has changed significantly. As my colleague Mr Bishop said, many years ago most utilities had a significant side panel around the cargo-carrying area, but several vehicles currently on the market have flat trays. Therefore it is prudent to provide for the protection of animals, particularly dogs.

Over the years I have spent considerable time with relatives who have properties on which they work sheep and cattle. Therefore I am familiar with the practical operations of farmers and drovers. A working dog often jumps on and off a moving vehicle to do the work that is required by instinct and command. The vehicle may be moving at 5 or 10 kilometres an hour, so it is simply not practical to tie a dog securely every time it gets back on a vehicle. I suggest that consideration should be given to how working dogs are generally used and to the technical difficulties that could arise if one were to literally interpret the fine sentiment in the bill and translate it to a working situation on a farm.

As I have moved around the country from time to time I have observed what happens during those sad times of drought when it is necessary to move cattle and sheep along stock routes. For many hours a day drovers depend heavily on their dogs. Given the long distances that they must travel during severe droughts, it is not unusual for drovers to use utilities or motorbikes with a tray. I am sure all honourable members have had the experience of having to drive carefully through a flock of sheep or herd of cattle that has been moving slowly along a stock route. While the sentiment is laudable, given the practicalities of the working environment of the drover or farmer it is a real imposition to require a working dog to be tethered on the back of a motorised vehicle.

I respectfully ask the government to consider the practicalities because an insensitive policeman, stock inspector or other person in a position of authority could unfairly penalise a drover or farmer for doing the right thing on a farm or on a stock route when the sheep or cattle are being moved, often because of tragic circumstances. I suggest that the bill be amended to give practical help to the farming community.

All honourable members know of circumstances in which unthinking people have animals unsecured on the backs of vehicles that are travelling at high speeds. Those circumstances are properly covered by the bill.

I will not address members at great length about the wonderful dogs I have owned or seen working on farms, nor will I talk about Sam and Fred, the two great dogs I have now. However, I again point out the real distinction between working dogs and pets and what must be legislated for concerning the speed at which they can be transported, given the circumstances in which they are involved. I echo the sentiments of my colleague Mr Bishop and endorse the comments of other members: we must do whatever we can to prevent cruelty to animals, and we must recognise that we have a collective responsibility to minimise their pain and suffering. The bill goes a long way towards helping to achieve that goal.

I conclude by repeating that the practicalities associated with the need for farmers and drovers to be able to use working dogs on vehicles travelling at low speed —

without causing any cruelty to them — are worthy of immediate attention.

Sitting suspended 6.27 p.m. until 8.03 p.m.

Hon. S. M. NGUYEN (Melbourne West) — The bill clarifies the provisions of section 15A of the principal act to ensure the proper carriage of dogs on open-tray trucks, utilities and low-sided tray vehicles. The Prevention of Cruelty to Animals Act provides a comprehensive and contemporary level of protection for the welfare of animals kept or used in a wide variety of circumstances.

I have listened to the speeches of honourable members on both sides, many of whom have mentioned working dogs, farm dogs and pets. It is important for builders to keep working dogs with them to assist them on building sites, and farmers need dogs with them to assist with the farm work because they may have no other form of assistance. Farmers rely on dogs to help with cattle and sheep and to keep an eye on strangers.

The bill amends the Prevention of Cruelty to Animals Act and provides for the Governor in Council to make a code of conduct on the recommendation of the minister.

The government proposes to ensure that 'motor vehicle' has the same meaning as it does in the Road Safety Act. The principal act relates to dogs on moving vehicles and makes the offence apply to all motor vehicles with trays. The bill inserts into section 15A a new definition of tray as part of a motor vehicle behind the cabin that is an open compartment and is principally constructed to carry a load.

Section 15A of the principal act is designed to protect dogs while being transported on the back of utility vehicles on public roads. However, the section specifically provides that it does not apply to dogs that are used to help in the movement of livestock. With respect to other farm dogs, if the safety of a dog is in danger police personnel can use their discretion as to whether to book the offender for contravention of section 15A.

The Victoria Police have had difficulty in enforcing the provisions of section 15A of the principal act, the Prevention of Cruelty to Animals Act 1986, with respect to the unsafe carriage of dogs on the backs of utility vehicles as they have had difficulty in interpreting the expression 'truck with an open tray'.

In 1997 the Victoria Police advised the department that, as there was no definition of 'truck' in the principal act, it was relying on the definition of 'truck' in the Road Safety Act 1986, which covered only vehicles that exceeded 4.5 tonnes gross vehicle mass. The definition therefore excluded utility vehicles. Victoria Police requested that the act be amended to clarify that the word 'truck' included utility vehicles.

In 1998 the definition of truck was amended in the Road Safety Act 1986 to mean a rigid motor vehicle that is principally constructed as a load-carrying vehicle. However, the amendment did not resolve enforcement issues for Victoria Police as the expression 'open tray' also posed interpretation problems. The words 'open tray' could have more than one meaning, including a tray with or without sides and with or without a top. The proposed amendments clarify that matter.

The proposed amendments that include the reference to a motor vehicle with an open tray encompass a wide variety of vehicles and will enable the police to prosecute people who carry dogs in an unsafe manner on the backs of utility vehicles.

Many people, especially people from outside the Parliament, have expressed their concern about the welfare of dogs travelling on the backs of moving utility vehicles. It is important that it be safe for dogs and for the drivers of other vehicles on the road. Many times I have seen builders and farmers with dogs on the backs of their vehicles. Dogs love to travel on the back of a truck, but if a vehicle is travelling fast a dog is not safe and can fall on the road. Also pet dogs, or home dogs, tend to muck around when a driver is driving.

Dogs love to see what is happening around them, but it is not safe to put animals on the back of a truck. Animals have to be looked after properly. Working dogs need to be protected by farmers, builders and others who work with dogs. It needs to be ensured that they are looked after properly and are safe. In conclusion, I commend the bill to the house.

Hon. E. C. CARBINES (Geelong) — It is with pleasure that I rise to speak on the Prevention of Cruelty to Animals (Amendment) Bill. It is good that, in the absence of some members opposite, debate so far has been characterised by the good sentiment expressed by all speakers regarding the desire to protect and enhance the welfare of dogs in our society. I particularly enjoyed the contributions of members to this debate. It is a pity that some members opposite were not here to hear their own members speak with strong affection for the dogs they have worked with. I have to confess I am not a dog owner.

Hon. I. J. Cover — Have you got a ute?

Hon. E. C. CARBINES — No, I do not. I certainly enjoy the company of dogs. One day I hope to convince my family that we should have a dog once again. I have never owned a working dog, but I enjoyed the contribution of the Honourable Barry Bishop, espousing the virtues of the Australian working dog and the desire by many on the land to look after their dogs. His contribution was entertaining and heartfelt.

However, every year I have taken my children to the Geelong show. As Mr Cover might know, the Geelong show has working dog trials. My family very much enjoys watching the farmers and their dogs herding cattle and rounding up sheep in the trials. Several fine prizes are awarded to the dogs at the Geelong show. I thoroughly understand the contribution that working dogs make to a farmer's life.

The purpose of the bill is to tighten the Prevention of Cruelty to Animals Act 1986 regarding the offence of transporting unrestrained dogs on trailers, trays and utes. The bill has a secondary purpose as well — that is, to simplify the complicated procedure for making a code of practice under the Prevention of Cruelty to Animals Act.

Last week I was in High Street, Belmont, for a family tea. My family went to Tony's, an Italian restaurant, to celebrate my nine-year-old son's birthday. We came out of the restaurant at about 7.30 p.m. when a utility roared past with two brown dogs on the back, completely unrestrained. They were barking their heads off and having a great time, amusing everyone around them. Under the bill, when passed, it will be an offence to transport dogs in that way. The current act is unclear on whether utilities come within the ambit of the act. The passage of the bill will ensure they do.

I listened with respect to the Honourable Jeanette Powell talking about the contribution of working dogs, as did the Honourable Barry Bishop. Mrs Powell went into specific detail on the dangers of transporting dogs unrestrained. She had gone to the trouble of consulting her local vet and finding some interesting statistics on injuries to dogs carried unrestrained on trays or utilities in her electorate.

On 3LO on Saturday morning Hugh Wirth, in his RSPCA half-hour, often talks about the dangers of transporting dogs unrestrained. He is a strong advocate of tightening the 1986 act. As Mrs Powell acknowledged, the RSPCA wants to go further, suggesting that dogs be restrained within cars, which probably will have to be left for another day.

I am also interested in the danger the transportation of unrestrained dogs poses to other drivers. As a member of the joint parliamentary Road Safety Committee I am pleased to speak on the bill. The transportation of unrestrained dogs in trays or utilities clearly presents a danger to other drivers in the vicinity and their passengers. The bill will help ensure the health and safety of not only the dogs carried but also other drivers and their passengers.

Clause 4 is designed to streamline the present long and complicated process of preparing codes of practice, which involves a recommendation going backwards and forwards between the minister and the Governor in Council before a code of practice is tabled in and considered by Parliament. I was pleased to hear that the opposition members who spoke on the bill are in favour of streamlining the process. I particularly note the support of the Honourable Barry Bishop. The bill will expedite the consideration of codes of practice by Parliament.

I will not go into the specifics of the bill because previous speakers have already done so, and I do not want to delay its passage. I am pleased to speak in support of the bill and commend it to the house.

Motion agreed to.

Read second time.

Third reading

Hon. C. C. BROAD (Minister for Energy and Resources) — By leave, I move:

That this bill be now read a third time.

I thank honourable members who contributed to the debate and shall respond to a number of points made. Mr Bishop raised a number of issues. I will briefly address each of them.

On the amendment to simplify the process of making a code of practice, an assurance was sought that the role of the Governor in Council will not be diminished in any way. I give that assurance. Another point raised related to dogs jumping on and off vehicles on farms. Nothing in the bill affects that practice. Section 15A applies only to highways; therefore activities in paddocks or elsewhere on farms are not affected in any way. Mr Bishop and a couple of other honourable members raised the matter of dogs jumping on and off moving vehicles during the movement of livestock. I point out that section 15A(3) specifically provides an exemption for dogs assisting in the movement of livestock, so that is also not a matter honourable

members need to be concerned about. Mr Bishop was also concerned to assure the house, lest any other interpretation be placed on the bill, that farmers care for their dogs. As someone who was brought up in the country with a lot of working dogs, I can attest to the value country people place on working dogs.

I thank government and opposition members who contributed to the debate in support of the bill. The opposition's support is most welcome and appropriate in the light of the 1995 amendment to the act, which clearly intended that the law apply to dogs in utilities. That was clearly referred to in remarks made by Mr Baxter in the Council at the time.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

ADJOURNMENT

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

That the house do now adjourn.

The PRESIDENT — Order! Before proceeding to the adjournment debate it is appropriate to remind honourable members of the relatively limited scope of the debate and to reinforce the rules under which the house has operated since 1975.

An honourable member speaking to the motion 'That the house do now adjourn' at the conclusion of a sitting may make a complaint, make a request or pose a query. In doing so, a member must raise only matters that are within the administrative competence of the Victorian government, confine his or her remarks to a single subject and be brief — a desirable maximum is 5 minutes, which I personally believe can be wound back to 3 minutes.

A member may not develop his or her remarks into a set speech, reflect upon a statute, request the introduction of legislation or raise a matter previously discussed in the same session.

A matter raised by an honourable member must relate to a recent occurrence — that is, be of an urgent nature. Any reply by the appropriate minister should be as brief as possible.

Matters raised on the motion for the adjournment of the house cannot be the subject of debate. An honourable member raises a matter and a minister's reply disposes of the same.

I have asked for copies of those guidelines to be sent to honourable members and I ask that they be observed.

LPG: prices

Hon. P. R. HALL (Gippsland) — In less than 3 minutes I wish to make a request of an urgent nature to the Minister for Consumer Affairs as a result of a recent incident concerning the price of bottled liquefied petroleum gas. Many places in country Victoria still do not have reticulated natural gas and therefore rely on bottled LPG. About 12 months ago the gas bottles retailed for about $40 each. The most recent price quoted for a bottle of LPG was $58 — nearly a 50 per cent increase in price in less than 12 months. I am aware of a general price increase in LPG for motor vehicles. However, I am also told that the cost of the gas that goes into an LPG bottle is only a small component of the total price.

Given that the increase has resulted in an almost 50 per cent increase for users of bottled LPG in country Victoria, I ask the minister to have her department look into the matter to see whether what I believe to be an excessive price rise is justified.

Schools: council representation

Hon. E. C. CARBINES (Geelong) — I raise for the attention of the Minister for Sport and Recreation in his capacity as the representative of the Minister for Education in the other place the issue of eligibility to stand for school council elections.

In 1994, when my daughter entered prep at the Bellaire Primary School in Highton, I was greatly concerned to learn that I was not eligible to stand for election as a parent representative on the school council. The Kennett government had changed the composition of school councils so that Department of Education representatives and employees, such as I were not allowed to stand as parent representatives on the councils of the schools their children attended. If they wanted to stand for election at their children's schools they had to vie for positions against staff members from the schools. This undemocratic act by the former Kennett government will have the effect — —

The PRESIDENT — Order! The honourable member has in her hands guidelines that I have just issued. One of the items outlined in the guidelines is

that the issue has to be of an urgent nature. The honourable member seems to be relating the matter she raises to something that occurred some years ago.

Hon. E. C. CARBINES — During the recent state election campaign the then shadow Minister for Education, the now Minister for Education in the other place, visited Geelong Province and said that a Bracks government would change education policy to allow Department of Education employees to stand for election to councils of schools attended by their children. I ask the minister to inform the house what action will be taken to ensure a return to democracy for school councils.

Hon. M. A. Birrell — On a point of order, Mr President, in the guidelines you have just issued to honourable members, which are longstanding, it is made clear that the matter raised must be of an urgent nature — that is, the matter must be contemporary. In this case more than a month ago the government made a significant policy announcement. Mrs Carbines may not be aware of what her own government announced, but there was a public announcement of a change of policy that directly addresses the issue she raises.

There is no urgency in the issue, and it may be an innocent attempt to misuse the adjournment debate. The issue has been long resolved by the government, it is hoped to the honourable member's satisfaction.

Hon. E. C. CARBINES — On the point of order, Mr President, the matter I raise is urgent because school council elections are taking place at this moment. Nominations are being called for and the government's intentions should be made clear to everyone.

The PRESIDENT — Order! Mr Birrell reinforces the guidelines I issued earlier. Because adjournment debates have been wide ranging and are almost regarded as another question time, I have reissued the guidelines, while not changing them. Mrs Carbines is stretching things somewhat, so I leave it to the minister to decide whether he will answer her inquiry.

Fishing: recreational access

Hon. R. H. BOWDEN (South Eastern) — I seek the assistance of the Minister for Energy and Resources regarding an urgent matter concerning the Environment Conservation Council's recommendation for marine parks and aquaculture sites. I have received many submissions by telephone and in writing expressing serious concern about the proposals, especially for recreational fishermen. The main concern, as outlined in an article in the *Herald Sun* of 28 February, is that thousands of recreational fishermen may be restricted in their access to fishing areas.

The South Gippsland Angling Clubs Association, a sizeable organisation representing a significant number of recreational fishermen, has written to me outlining its concerns about the council's recommendations. I have received a copy of the association's submission to the council, which lists 23 objections. In summarising its submission it states:

> It is the considered opinion of the South Gippsland Angling Clubs Association that the recommendations of the Environment Conservation Council cannot be accepted in their present form.

I ask the minister to make certain there is no diminution of access by recreational fishermen to appropriate fishing zones in Victoria.

Police: bilingual D24 operators

Hon. S. M. NGUYEN (Melbourne West) — I direct to the attention of the Minister for Sport and Recreation, as the representative of the Minister for Police and Emergency Services in the other place, an issue raised by local residents. It has been pointed out to me by individuals and community groups that in times of emergency they have difficulty in communicating with D24 operators due to language barriers. I have visited D24, and it appears the use of bilingual operators may go some way towards solving those concerns.

I ask the minister to explore options for improving access to communities from non-English-speaking backgrounds through the use of bilingual operators.

Small business: Growing Victoria Together

Hon. W. I. SMITH (Silvan) — I direct to the attention of the Minister for Small Business the government's business summit, Growing Victoria Together, which is to be conducted later this month. The Victorian Automobile Chamber of Commerce in the editorial of its magazine *Auto* calls on the state government to include small business. It states:

> To be successful, the business summit must be a summit for all businesses.
>
> Many of the summits held in the 1980s fell well short of looking at the whole picture and became more about pandering to the whims of big business to the detriment of the needs of small business operators.

More than 50 per cent of people employed in my electorate are employed by small businesses. It is important that small businesses have a say in the

running of the affairs of Victoria. What is the minister's personal input in ensuring that small business is represented and has a voice at the summit?

Ararat Primary School

Hon. D. G. HADDEN (Ballarat) — I seek the assistance of the Minister for Sport and Recreation as the representative of the Minister for Education in another place. The first government school in Ararat was Ararat Primary School No. 800. Situated in Moore Street, it was built in 1865 of brick and bluestone and is of historical significance. The school has 235 students, with prep class sizes of 21 or 22 students and other classes ranging between 25 and 32 students, but mainly in the range of 27 to 28 . The class sizes present difficulties in the old-style teaching spaces of a heritage building.

The stage 1 refurbishment and renovation is urgent and crucial, especially as the master plan commenced in 1974. In September 1999 the former member for Ripon and parliamentary secretary to the then education minister, Mr Stephen Elder, announced a grant of $301 000 for the refurbishment. I ask the minister to advise me of the state of the funding so that the urgent refurbishment can be commenced as soon as possible.

Yarra Valley Hockey Club

Hon. C. A. FURLETTI (Templestowe) — I raise with the Minister for Sport and Recreation an issue which was raised with him on 4 November and 7 December last year by my colleague in Templestowe Province, the Honourable Bill Forwood, and which was also raised in a question on notice last year regarding the plight of the Yarra Valley Hockey Club, which at least ostensibly still calls Chelsworth Park in Ivanhoe its home.

The minister will recall that the club uses the hockey ground at the John Cain Reserve and that its future is precarious due to the redevelopment that is to take place at that facility.

On 5 December last year the minister assured my colleague that the hockey club would play out its current season at John Cain Reserve, citing a number of issues in the chain of events as the cause for the delay.

While that short-term solution was welcomed, it transpires that considerable pressure has been brought to bear on the other sporting groups at Chelsworth Park because of the uncertainty surrounding the relocation of the hockey club and the need to retain some under-utilised gravel hockey pitches. It has recently been brought to my attention that it is almost impossible for the committee of management to plan for and implement any improvements to the sporting facilities at Chelsworth Park. Sporting groups and other users have been adversely affected as a result of the delay, the uncertainty and the lack of a firm commitment from the government to relocate the Yarra Valley Hockey Club, which the minister assured would take place. That relocation involves the choice of an acceptable and appropriate alternative venue in consultation with the club.

Can the minister give the many users and the volunteer management committee of Chelsworth Park any idea of the timing of the proposed redevelopment of the multipurpose facility at John Cain Reserve so that the committee can proceed with its plans and proposals to achieve the maximum utilisation of the sporting facilities at Chelsworth Park?

Commonwealth Games: green policy

Hon. G. D. ROMANES (Melbourne) — I refer the Minister for Sport and Recreation to the comments of a number of honourable members who spoke earlier today about the proposed Sustainable Energy Authority Victoria and the international urgency of reducing greenhouse gas emissions.

Most honourable members will be aware of the significant advances the New South Wales government has made as part of its commitment to a green Olympics. I refer to the preparation and implementation of energy conservation and waste minimisation measures for the Sydney Olympic Games, which will be held in September. It is logical that other states should take advantage of the innovative work that has been done in Sydney. Victoria could well stage a green Commonwealth Games in 2006; however, I am aware of the previous government's lack of preparation, commitment and care in that regard.

I ask the minister what the government can do to meet its waste minimisation and greenhouse gas reduction responsibilities through the development of sporting facilities for the 2006 Commonwealth Games that conserve energy usage and minimise waste.

GST: small business

Hon. P. A. KATSAMBANIS (Monash) — I remind the Minister for Small Business that on 1 March she told the house that she had had a meeting with — —

Hon. M. M. Gould — Are you paraphrasing?

Hon. P. A. KATSAMBANIS — Indeed. I am aware of the rules regarding quoting from *Hansard*, Ms Gould.

The minister told the house that she had had a meeting with the Institute of Chartered Accountants about the introduction of the goods and services tax. She said she had discussed with the institute the effects the implementation of the GST would have on small business. She further suggested that the institute had subsequently emailed its members asking them to provide her with information she could use to help solve the problems of small business in Victoria. The minister went on to say she had not had any response from the institute about its progress and would follow the matter up.

It has come to my attention that between the time the minister met with the Institute of Chartered Accountants and 1 March, when she gave that answer, the state chairman of the Institute of Chartered Accountants, Michael Beer, FCA, had circulated a further memo to the members of that institute. In that memo Mr Beer said:

> You would have recently received an institute letter advising that following a meeting with the Victorian Labor Minister for Small Business, the Honourable Marsha Thomson, she would be pleased to receive 'real live' examples of problems associated with the introduction of the GST.

Mr Beer went on to say further that:

> … a number of members have drawn attention that such a request could be seen as an attempt by the Labor Party to obtain information to politically undermine the introduction of the GST rather than assist in its implementation as we had intended. Such an impression could diminish the institute's high reputation for impartiality.
>
> I and the institute's state council would like to unreservedly apologise if such a view was formed. The request was a genuine but perhaps naive response to a state minister's request.
>
> I would like to reassure members that any examples of difficulties experienced by them or their clients with the introduction of the GST which are provided to the institute will be firstly internally processed and, if they raise matters not already being addressed by the teams involved with the implementation of the GST, will be referred directly to the Australian Tax Office, the Treasurer's office or Treasury as appropriate for their consideration.
>
> The institute will continue to work hard with all those genuinely committed to tax reform to see a smooth introduction to the GST on 1 July.

As I said, that memo was sent to members of the institute on 22 February, a full eight days before the minister's answer. The minister may well have been aware that that memo had gone out. If so, the minister clearly misled the house when she said she was still awaiting a response from the institute.

The PRESIDENT — Order! The honourable member should be asking a question or making a complaint.

Hon. P. A. KATSAMBANIS — I am getting there. Even if the house accepts that the minister was not aware of the memo, it is clear from the contents that the Institute of Chartered Accountants considers its interface with the minister to have been one at which the minister attempted to manipulate an august body, a body above politics, for partisan political purposes to the detriment of small business in Victoria. It is clear from the memo that the minister is irrelevant to the GST debate.

Will the minister confirm that she has nothing more positive to contribute on the introduction of the goods and services tax and that her attempts so far to support small business have been nothing but cheap stunts to use her office for political gain?

Hon. M. R. Thomson — On a point of order, Mr President, I believe there is no genuine question in the honourable member's comments and that they do not meet the guidelines given to the house.

The PRESIDENT — Order! What guidelines are you referring to?

Hon. M. R. Thomson — The guidelines about a member making a complaint, request or query. There was none of those, but there certainly was debate, Mr President.

The PRESIDENT — Order! The first point is that a member may make a complaint. As I understand it, the honourable member was complaining about the use the minister is making of her conversation with the accountants. It was a complaint, which is one of the items referred to in the guidelines. Regarding the lengthy quote — and I have previously referred to a quote by a member on the government side — it would help the house if in future members made brief quotations rather than longer ones. I do not uphold the point of order.

Warmies boat ramp

Hon. KAYE DARVENIZA (Melbourne West) — I refer to the Minister for Ports the problems experienced by some recreational boat owners using the new Warmies boat ramp at Williamstown. Will the minister advise what action has been taken to improve boating

safety in the inlet channel for recreational boat owners using the ramp?

Maryborough Regional College

Hon. D. McL. DAVIS (East Yarra) — I seek the assistance of the Minister for Sport and Recreation, who represents the Minister for Education in the other place. I draw his attention to some reports and comments I have received from people in Ballarat about the Maryborough Regional College.

Before the last election it was promised an upgrade of $730 000. I know the former honourable member for Ripon, Mr Elder, did a great deal of work to upgrade that school. The $730 000 was in the budget line items and was a clear commitment by the coalition. I understand the money was to be used to upgrade the home economics facilities at the Palmerston Street campus and the science block at the Nolan Street campus.

It was disappointing that the public sector asset investment program tabled recently makes no allowance for the Maryborough Regional Secondary College. A number of people have drawn the matter to my attention. I request the assistance of the Minister for Education in this matter. I am informed that the budget allocation has been reduced from $730 000 to a mere $90 000. Bearing in mind the Bracks Labor government's alleged commitment to regional Victoria the matter is of concern. It is unfortunate that other representatives in this house who more closely represent Maryborough have not sought fit to raise such matters or are not concerned enough about their constituency to protect the regional secondary college in Maryborough. It is an excellent school that received much assistance from the former honourable member for Ripon who did a great deal of good work.

Better Pools

Hon. B. C. BOARDMAN (Chelsea) — I direct a matter about the Better Pools program to the attention of the Minister for Sport and Recreation. I refer him to his response of 8 December last year when a matter was raised with him about the Frankston aquatic centre. In his response he said:

> I will advise them of the funding criteria on which the Department of Sport and Recreation establishes such centres.

During question time on 1 March the Honourable Dianne Hadden asked the minister a question about the Better Pools program. The minister referred to the Department of Sport and Recreation and the funding available under the Better Pools program. He referred to an additional $6 million over three years to bring the entire sum to $26.7 million over four years.

The minister may be concerned about an article that appeared in the Frankston *Standard* yesterday. Following an invitation from the honourable member for Frankston East, the Minister for Major Projects and Tourism in the other place visited one of the proposed locations of the Frankston aquatic centre, the Samuel Sherlock Reserve, which is part of the Chisholm TAFE complex. The minister made a number of comments about the proposed aquatic centre. I direct the attention of the Minister for Sport and Recreation to his previous answers regarding the grants. Will he outline who is the minister responsible for administering the Better Pools program and who has the responsibility for deciding where the funding is allocated?

Industrial relations: building industry

Hon. M. A. BIRRELL (East Yarra) — I direct a matter to the attention of the Minister for Industrial Relations. Today the Australian Industrial Relations Commission met to consider, as part of an ongoing case, the current industrial dispute in the construction industry, which has been in chaos over recent months. The hearing before the commission is designed to have the matter aired.

Section 170 of the Workplace Relations Act states that the state of Victoria has the opportunity to be heard before the commission and to seek leave to appear. In the past the Victorian government has sought leave to appear, and so far as I am aware has never had that leave rejected.

I am concerned that although the government, from the Premier to the Minister for Industrial Relations, is on record as saying it supports conciliation and arbitration, apparently it has not taken the opportunity to appear before the commission.

Hon. Kaye Darveniza — It is his bill and his legislation.

Hon. M. A. BIRRELL — That was a disorderly interjection which, in effect, asks why Peter Reith has not appeared. I am pleased to take up the interjection because it appears to indicate that the government believes there should be some form of intervention by the federal government. It is consistent with the state government's argument that it can do nothing when in fact it has the option to appear before the commission, and through that action gain an end to the bargaining period as ordered by the commission and therefore lead to conciliation and arbitration.

Victorians will be alarmed to learn that a ready option available to the minister has not been taken up. I raise the matter because I am concerned to know why the government consciously decided not to seek leave to appear before the commission today or at any time over the past fortnight or so. Why does the government not make an effort on behalf of all Victorian citizens to appear before the commission to seek under the existing federal law that the bargaining period end and therefore move towards achieving conciliation and arbitration?

Hon. Kaye Darveniza interjected.

Hon. M. A. BIRRELL — I do not welcome the interjection, but it points out a perhaps designed ignorance of honourable members opposite in trying to wish away the existing powers that are available under the Workplace Relations Act.

Why is the state government not using the existing powers under the Workplace Relations Act to seek leave to appear before the commission and have the bargaining period end and therefore make use of a power that would help resolve the dispute through conciliation and arbitration? That is what the government alleges it is interested in achieving.

Somerville Rise Primary School

Hon. K. M. SMITH (South Eastern) — I ask the Minister for Industrial Relations to direct to the attention of the Minister for Finance in the other place a matter concerning land purchased by the education department in Blacks Camp Road, Somerville, for the building of a primary school and a secondary college.

Somerville is probably one of the fastest growing towns in my electorate. Somerville Rise Primary School was built on one corner of the site and a secondary college was to be built behind it. However, either the Minister for Education or the Minister for Finance in the other place has said the land must be sold. The nearest secondary colleges to Somerville are Mount Erin at Hastings, the Mornington Secondary College and Frankston Secondary College — all about 8 or 12 kilometres away. The nearest non-state secondary college is the overcrowded Christian denomination Flinders Secondary College, which could not accept enrolments from about 100 kids last year. Somerville has two primary schools.

What is the massive and desperate need of the government to sell land? It came into office with a huge surplus left by the good work of the former government. Why is it selling the land when it does not need to do so? In the future it will cost more to purchase land for that purpose. I ask the minister to have the Minister for Education provide an answer more quickly than the answer I received on another matter from the Minister for Finance — it took months!

Tourism: heritage trams

Hon. ANDREA COOTE (Monash) — The matter I direct to the attention of the Minister for Sport and Recreation for the Minister for Major Projects and Tourism in the other place concerns a joint proposal made some time ago to the minister by the City of Yarra, the City of Stonnington and the City of Port Phillip about running a heritage tourist tram. The idea was that the tram route would commence at Victoria Street, Richmond, and continue to Chapel Street, where passengers could alight and catch a ferry along the Yarra River, reboard the tram and travel to Acland and Fitzroy streets, St Kilda.

The local traders association believed the tourism and economic gain would be significant. According to the former Minister for Tourism, the honourable member for Brighton in the other place, when the trams were privatised provision was made for Yarra and Swanston trams to allow a heritage tourist tram to use their tram tracks.

Does the government plan to pursue the excellent concept of a heritage tram linking some of Melbourne's major tourist destinations? If so, what steps has the government taken to implement the scheme?

Rural Victoria: doctors

Hon. R. A. BEST (North Western) — The matter of concern I raise is directed to the Minister for Industrial Relations, representing the Minister for Health in the other house, and refers to the overseas trained doctors recruitment program. Last year the Clinical Practice Advisory Committee (CPAC) was established to coordinate the recruitment of more than 100 overseas-trained doctors. The committee had three terms of reference. The first was to establish objective criteria for evaluating overseas-trained doctors seeking specific registration to work in designated areas-of-need positions. The second was to provide advice to the Medical Practitioners Board regarding applicants' suitability. The third was to provide advice to the Medical Practitioners Board as well as the rural work force agency in Victoria and to work with the overseas-trained doctors to identify what supervision, additional training or orientation programs would be required by applicants to meet the eligibility criteria.

It is recognised that people in the metropolitan area have greater access to general practitioners (GPs) than Victorians living in rural and regional areas — the more rural the GP division, the worse the access becomes. Residents of areas of the Mallee represented by Mr Bishop and me have the worst access to general practitioners.

The program commenced about six months ago, yet to date the minister has not referred his departmental recommendation that identifies the definition of areas of need to the federal government. That recommendation would have CPAC start the program for the placement of doctors in rural Victoria. It is vital that CPAC commence the program. I understand about 50 to 52 doctors have already been identified as qualifying for placement in rural areas.

Another meeting of CPAC will be held next Friday. Unless approval comes from the federal government for the minister's request for a definition of areas of need doctors will have to wait another month before they can be allocated under the program. That raises a concern that doctors who are qualified within Victoria are being poached by other jurisdictions, including New South Wales. I urge the minister to ask the Minister for Health to send the letter to the federal minister so the program can commence and the needs of rural Victorians may be met.

Already 10 to 12 doctors have withdrawn from the program because of delays in the minister's office. Why has the minister been so slow to address the health needs of rural Victorians? He has taken more than six months to seek verification from the federal government and to have CPAC seek placements of trained doctors throughout rural Victoria.

Trucks: container regulations

Hon. B. W. BISHOP (North Western) — The issue I raise is for the attention of the Minister for Energy and Resources, representing the Minister for Transport in the other place. Last November I raised with the Minister for Transport the new transport regulations that were to come into place concerning container trucks. They referred to containers 40 feet in length or 40 tonnes in carrying capacity. The regulations address bridge clearances, particularly around the metropolitan area and ports. The proposal was to reduce the height of container trucks from 4.6 metres to 4.3 metres. That required a substantial investment by transport operators; up to $200 000 would be spent on step-deck and low-profile trailers. Although that presented a few difficulties to transport operators they moved in that direction, particularly on loads designated to metropolitan and port areas.

Many local transport operators were granted exemptions in part to use the 4.6 metre trailers where there were no bridges, thereby saving a large capital expense for work only in local areas. Any exemption to the local areas required gazettal for truck routes, a measuring of loads and driver training. Operators adhered well to the reasonable provisions. They were sensible and practical solutions to transporting loads where there are no restrictions on bridges.

Last November I requested that the minister continue the exemptions. I received a response from the minister that the 4.3 metre regulations will be extended to the end of next June. I welcome the minister's advice because it will assist some transport operators who are gearing their operations towards new regulations. Will the minister continue the exemptions for local areas with no bridge restrictions?

Police: Emerald station

Hon. N. B. LUCAS (Eumemmerring) — I direct a matter to the attention of the Minister for Sport and Recreation, as the representative in this place of the Minister for Police and Emergency Services in the other house. The matter I raise is urgent: I have a small quote, a brief background and a succinct question.

An article at page 5 of the Pakenham *Gazette* of 16 February 2000 states:

> The manning of the Emerald police station has hit crisis point …
>
> The station, normally manned by one sergeant and six constables, has been reduced to one constable.
>
> Last week the station was closed from Friday evening to Wednesday morning.

I do not wish to be critical of the district inspector, Jock Menzel, who I am advised has been doing an excellent job with the human and physical resources available to him. The towns of Emerald, Gembrook and Cockatoo have about 11 500 residents. In recent times the community has expressed increased concern about the availability of police to service the area. On 2 March the Emerald police station action group was formed at a meeting which included representatives of the Returned and Services League, local traders, the fire brigade, the local Shire of Cardinia, the village committee and members of the local community. That group is supported by St Mark's Anglican Church and the Emerald Neighbourhood Watch. A petition being

circulated in the area has received enormous support, and I will be presenting it to Parliament in due course.

I emphasise the local community's considerable concern about the situation. I ask the minister whether the Emerald police station has a future and whether he will consider the community's keen desire that sufficient resources be provided to ensure that the police station is fully staffed and can provide a 24-hour service.

Schools: capital works

Hon. A. P. OLEXANDER (Silvan) — I raise a matter for the attention of the Minister for Sport and Recreation, who represents the Minister for Education in the other place.

The minister should recall an article published in the Knox *News* of 22 February headed 'Schools miss out on funds', in which I was reported as pointing out that the Bracks government had withdrawn more than $3.5 million of capital works funding for primary schools in the outer eastern region of Melbourne.

The minister has repeatedly refused to make any comment on or explain to the local papers the basis for the withdrawal of those funds. I also refer the minister to the article in the *Herald Sun* of 6 March headed 'School rip-off claim', in which it was revealed that instances of funding reallocations between Labor and Liberal electorates had recently been identified. The article revealed that the Premier's electorate of Williamstown, the Deputy Premier's electorate of Albert Park and Minister Delahunty's electorate of Northcote had benefited from more funding than was originally budgeted for. I ask the minister exactly how the new funding arrangements were determined, specifically those that have resulted in Labor electorates receiving more money and Liberal electorates receiving less. Given that the opposition has referred the matter to the Auditor-General, will the minister cooperate fully with Mr Wayne Cameron should he decide to undertake an investigation into the matter?

Public transport: eastern corridor

Hon. B. N. ATKINSON (Koonung) — I raise a matter for the attention of the Minister for Energy and Resources, who represents the Minister for Transport in the other place. During the last state election campaign the Labor Party said that it would not proceed with the Scoresby freeway and instead suggested that it would undertake several public transport initiatives in the eastern corridor. The two of particular interest to me and about which I seek information are the extension of the tramline from East Burwood to Knox City, a $19 million project that is currently the subject of a feasibility study, and the possible extension further south of the train line that runs from Huntingdale to Rowville.

I ask the minister for clarification on the progress of the feasibility studies on both those initiatives. What time line has the government set for making decisions on the tramline and railway extensions?

Police: Mount Buller station

Hon. E. G. STONEY (Central Highlands) — The matter I raise with the Minister for Sport and Recreation for the attention of the Minister for Police and Emergency Services in another place concerns the old police station at Mount Buller. During winter we need three full-time police officers at Mount Buller, 24 hours a day. There is accommodation for only two police officers, so it is particularly awkward if there is a female officer. The committee of management's planning of a new administrative block, which will include a new police station with up-to-date accommodation, is well under way, and work will start next spring. However, police command has been tardy about making a decision. If a decision is not made, the opportunity will be lost for the police to be relocated in the new building this year.

I ask that the Minister for Police and Emergency Services ensure that police command makes a decision quickly so that the work can go forward and the opportunity will not be lost.

Planning: Bayside scheme

Hon. C. A. STRONG (Higinbotham) — I raise an issue with the Minister for Sport and Recreation in his capacity as the Minister assisting the Minister for Planning. Previously during an adjournment debate I referred to the Bayside planning scheme, particularly the heritage gazettal of a number of properties in contravention of the local council's requirements. To paraphrase his answer, when referring the issue to the Minister for Planning the Minister for Sport and Recreation said those concerns were being addressed. I ask the minister how the concerns are being addressed and, given his knowledge of their being addressed, to explain his involvement in that process.

Responses

Hon. M. M. GOULD (Minister for Industrial Relations) — Before I respond to the three matters raised with me, I point out that on 1 March the Honourable Gordon Rich-Phillips raised a matter with

me for the attention of the Premier. I apologise for not referring to the matter in my responses at the time. However, I advise the honourable member that I had already raised the matter with the Premier, and he will respond in the usual manner. No honourable member has raised that oversight with me; however, having noticed it I want to put that on the record.

The Leader of the Opposition raised a matter which I think would be more appropriately directed to his federal Liberal colleague Peter Reith, given that he has failed to use his powers under the Workplace Relations Act to intervene in the building dispute over the past month. The government will intervene in the commission proceedings at an appropriate time. When we do, we will tell the commission about the economic damage being wrought on this state as a result of the Workplace Relations Act and about the state opposition's support for the 36-hour week in the building industry.

The Honourable Ken Smith raised for the attention of the Minister for Finance the sale of some land at Somerville. I will ask the minister to respond in the usual manner.

The Honourable Ron Best raised a matter for the attention of the Minister for Health concerning the placement of doctors trained overseas. I will raise that matter with him and ask him to respond in the usual manner.

Hon. C. C. BROAD (Minister for Energy and Resources) — The first issue raised for my attention was by the Honourable Ron Bowden, who referred to the Environment Conservation Council (ECC) recommendations on marine parks and reserves. I understand that more than 1000 submissions have been received in response to the draft report. The final report is due at the end of June. I imagine that the particular submission about which he expressed concern — that is, access for anglers as a result of those recommendations — will be one of many that will be assessed in the intervening period. He asked for an assurance that there will be no diminution of access for angling groups. That is a matter that is obviously appropriate for the government to consider once it receives the final report from the ECC after the report has been forwarded to the Minister for Environment and Conservation.

The second matter, which was raised by the Honourable Kaye Darveniza, referred to the Williamstown boating community's concern about the use of the new Warmies boat ramp. That is understandable, considering that some recreational boat owners have been running around in channels leading to that boat ramp. I am advised that unfortunately those building the boat ramp, which was constructed by the Hobsons Bay council, with approximately half the cost being met by a grant from the previous government through the public recreation boating facilities program, did not undertake a survey of the channel because it was not considered necessary.

I am pleased to advise the house that in addition to the government taking urgent action to appropriately signpost the channel, in future grants of this nature will include as a requirement that such surveys of channels are undertaken to ensure that recreational boat users can safely use the ramps.

The Honourable Barry Bishop raised for the Minister for Transport an issue concerning the height of container trucks. The matter has been raised previously with the Minister for Transport, and Mr Bishop referred to the minister's response. Mr Bishop sought a further assurance from the minister in addition to his response providing exemption for local areas where there are no bridges. I will raise that matter with the Minister for Transport.

The Honourable Bruce Atkinson also raised a matter he has raised previously with the Minister for Transport. Mr Atkinson referred to two issues: the extension of the tramline from Burwood to Knox City and the extension of the train line from Huntingdale to Rowville.

Hon. B. N. Atkinson — Or Glen Waverley.

Hon. C. C. BROAD — Or Glen Waverley. There are two options. Mr Atkinson sought information from the Minister for Transport on the progress of feasibility studies and time lines for the projects. I will raise those issues with the Minister for Transport.

Hon. M. R. THOMSON (Minister for Small Business) — The Honourable Peter Hall asked about the cost of bottled LPG gas. Less than 12 months ago the cost was approximately $40 a bottle; it is currently approximately $58 a bottle, which is a nearly 50 per cent increase in less than 12 months. Mr Hall suggested that the cost of the gas was a very small component of the increase. I, too, am concerned about the escalation of the cost of bottled gas. I have raised the issue with my office and staff have referred to cartage and handling costs and issues of that sort. I agree with Mr Hall that the cost seems astronomically high. I will look into the issue, and I will be more than happy to pass the information on to the honourable member when the results are available.

The Honourable Wendy Smith asked about the business summit and what I have done to ensure that small business will have an input into the summit. Limited places are available for peak bodies representing small business; the attendee list is not large. Importantly, the government is setting up the Small Business Advisory Council to allow small businesses to have direct input to the government, and that will be ongoing. The government will be able to assess a whole-of-government attitude and will have input to ensure any adverse impact on small business is minimised and that present policies that assist small businesses are continued.

The Honourable Peter Katsambanis raised an issue in relation to my statements in the house on 1 March about a lunch I had with members of the Institute of Chartered Accountants. Mr President, I was not aware of any memo going out from Michael Beer about statements made by Peter Costello about my motives.

I do not retract anything I said about the burden placed on small businesses by the introduction of the goods and services tax, and I make no apology for my advocacy and the role I take on the issue. I would be happy, if members of the Institute of Chartered Accountants have incidents they wish to raise with the federal Treasurer directly, for them to do so. I have no objection, and I hope members opposite will privately raise issues about the burden on small businesses of the GST. People who have concerns about the burden small businesses will bear because of the GST should express their concerns. I am more than happy to raise those issues because I believe it is the right thing to do for small businesses. Certainly there are federal opposition members who agree with me and who have raised matters directly with the federal Treasurer.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — The Honourable Elaine Carbines raised a matter concerning school council election guidelines, and I will raise that issue with the Minister for Education in the other place.

The Honourable Sang Nguyen asked about emergency D24 operators and the potential for bilingual operators improving access to the service. I will refer that matter to the Minister for Police and Emergency Services in the other place.

The Honourable Dianne Hadden asked a question about the stage 1 plans and grant for the refurbishment of Ararat Primary School, No. 800. I will refer that matter to the Minister for Education in the other place.

The Honourable Carlo Furletti referred to the Yarra Valley Hockey Club. Currently the construction of the proposed velodrome, which is part of the second stage of the Melbourne and Olympic Parks Trust development, is being reviewed on the basis of the potential cost, and the outcome of that review and the pre-construction phase will determine when the construction will take place. As Minister for Sport and Recreation I do not want to see a detrimental effect on any of the sporting groups associated with that development or surrounding parklands. The intention is to commence early in 2001, but that will be determined by the pre-construction phase. When more information comes to hand, particularly from the trust, I will be able to inform Mr Furletti in more detail about how various sporting organisations may be affected. The government will work closely with the various local councils to ensure that nobody is significantly impacted upon.

The Honourable Glenyys Romanes asked about the Commonwealth Games and the potential for a green games. Although many of the key infrastructure works have been developed, one of the great opportunities for an event like the Commonwealth Games or the Olympic Games or any such significant major events is that when they are promoted and facilitated by government they allow not only for a lasting significant legacy in the form of infrastructure but also for a lasting legacy in innovation and leadership in the community. Such events are an opportunity to provide a lasting legacy in areas such as waste minimisation and energy efficiency that sometimes need the leadership of government. The government will facilitate opportunities where they exist to provide new infrastructure for the Commonwealth Games.

The Honourable David Davis asked about the Maryborough Regional College and its various campuses, and I will refer that question to the Minister for Education in the other place.

The Honourable Cameron Boardman raised the issue of the Better Pools funding allocation. As the minister responsible for that issue I point out that the Minister for Gaming was touring the Frankston East area because of the significant amount of gaming taking place there. The minister was probably concerned about the relationship between local infrastructure and the need for regional aquatic centres. There is a great demand not only in metropolitan Melbourne but also in regional Victoria for updated aquatic centres. The building stock in ageing aquatic centres needs substantial maintenance.

Councils are taking up that opportunity to consider their various aquatic centres in a strategic light. Strategic consideration presents councils with an opportunity to rethink whether they will have a number of smaller pool facilities or one major aquatic centre.

The Honourable Andrea Coote raised a matter concerning the Stonnington, Yarra and Port Phillip heritage tourist trams, which I will refer to the Minister for Major Projects and Tourism in the other place.

The Honourable Neil Lucas raised a matter concerning the manning of the Emerald police station and its level of service and resourcing, which I will relay to the Minister for Police and Emergency Services in the other place.

The Honourable Andrew Olexander raised a matter concerning capital works funding in schools, which I will refer to the Minister for Education in the other place.

The Honourable Graeme Stoney raised a matter concerning the new police facility at Mount Buller and concerns regarding the living arrangements for police on duty. I will refer that matter to the Minister for Police and Emergency Services in the other place.

The Honourable Chris Strong raised a matter concerning the Bayside planning scheme and heritage gazetting of a number of properties. That matter has been raised before. The Honourable Chris Strong has asked for more detail. I will relay his concerns to the Minister for Planning in the other place. No doubt he is aware of those concerns and will relay them to the City of Bayside in due course.

Motion agreed to.

House adjourned 9.32 p.m.

Wednesday, 15 March 2000

The PRESIDENT (Hon. B. A. Chamberlain) took the chair at 10.02 a.m. and read the prayer.

The PRESIDENT — Order! I advise honourable members that the device on the table in the middle of the chamber is testing the ambient air quality. It is part of an occupational, health and safety review of the whole building. The device will be with us during the day and it may give the occasional beep.

ELECTRICITY: YALLOURN DISPUTE

Hon. PHILIP DAVIS (Gippsland) — I move:

> That this house condemns the government for its incompetence and mismanagement of the recent electricity crisis.

Victoria has not experienced such incompetence in public administration since the Kirner government of the early 1990s. Despite having all the necessary instruments and moral authority to maintain the security of our electricity supply, the Labor government sat on its hands until the lights went out.

Honourable members interjecting.

The PRESIDENT — Order! It is traditional to give the honourable member a few minutes to develop his case. I ask honourable members on both sides of the chamber, but particularly those on my right, to desist from interjecting and to listen to what Mr Davis has to say.

Hon. PHILIP DAVIS — Thank you for your assistance, Mr President. Frankly, I do not need any assistance from the Chair because the rabble on the other side, which calls itself the government, is so incompetent that any interjection has little effect, just as Labor had no effect while Victorians were anticipating the effects of a major crisis. The evidence was available for months. The issue was then allowed to develop into a crisis, which has been acknowledged by all commentators, industry organisations and the opposition.

Honourable members interjecting.

The PRESIDENT — Order! There is no way that members of the house who want to follow the debate can hear Mr Davis. I ask honourable members to desist from interjecting and allow the honourable member to develop his speech. The house will then hear from the Minister for Energy and Resources and other members of the government and opposition. I ask the house to allow Mr Davis to develop his speech.

Hon. PHILIP DAVIS — Thank you for your intervention again, Mr President. One can only conclude that the government does not want to hear what the opposition has to say. It has demonstrated over the past two sitting weeks that it is reluctant to face up to the issue. The Minister for Energy and Resources, who is responsible for this matter, has avoided answering any questions put to the government by the opposition. She has been obfuscating on straightforward matters. The minister could have dealt with the issue and satisfied the people of Victoria and Parliament that the government has addressed these matters appropriately. Instead, because of her and the government's incompetence and collective failure to address the management issues associated with the electricity industry dispute at Yallourn and subsequent power outages, Victorians have been bewildered at the anarchy in industrial relations, particularly in the energy industry.

Hon. Kaye Darveniza interjected.

Hon. PHILIP DAVIS — The minister will not be long in this place because she is not prepared to treat this place courteously. The government has treated Parliament with contempt and has ignored the opposition's specific questions put to the minister. If it continues to do that it will eventually pay the ultimate price. I am sure government members will respond to the opposition by blaming the former Kennett government.

Honourable members interjecting.

The PRESIDENT — Order! I ask Mr Davis to address his remarks through the Chair so that he does not develop as much heat from government members. I ask members of the government to desist from interjecting.

Hon. PHILIP DAVIS — There was a continuation of the denial until the government was confronted by complete anarchy. The government was eventually forced to step into the power dispute at the urging of Yallourn Energy, the opposition and industry organisations. Many Victorians knew about the government's incompetence and mismanagement because traffic lights went out when they were driving home from work. People on dialysis machines had their treatment stopped. Indeed, as Mr Hall has suggested, rotating milking platforms came to a standstill. Dairy farmers and their cows experienced considerable difficulties.

Clearly, the inconvenience of this interruption of electricity supply significantly affected all Victorians. The whole state suffered a significant economic loss, especially small businesses.

Hon. Kaye Darveniza — Did you think about that when you sold it off?

Hon. PHILIP DAVIS — You are so predictable. I said earlier that the government would blame the former Kennett government.

Honourable members interjecting.

The PRESIDENT — Order! The house can listen or proceedings can stop, but I will not have that cacophony going on all the time. I ask honourable members to let Mr Davis develop his speech. Government members may respond in due course.

Hon. PHILIP DAVIS — I am endeavouring to establish the opposition's argument that taking action in the matter is entirely at the discretion of the Victorian Labor government. All the instruments the government has available to it to deal with the electricity industry dispute are the same as those that were in place prior to privatisation. Indeed, the government had more instruments available to it to deal with a dispute that had the potential to and subsequently did interrupt electricity supply than were available to the Kennett government when difficulties arose in the restoration of production at the Longford gas facility early last year.

Honourable members will recall the significant industrial disruption that occurred while the refurbishment of the Longford gas processing plant was undertaken. Not only did the former state government provide moral leadership by articulating a position on the industrial issues that were threatening the completion of the works necessary to guarantee winter gas supply, but it joined with Esso and the contractor employers to put a case to the Australian Industrial Relations Commission to secure orders to ensure that the industrial disputation ceased. Consequently, the necessary work was completed, notwithstanding the hot industrial environment. The Victorian public was well served by the former government's action.

It is a pity that the Bracks Labor government and the Minister for Energy and Resources failed to understand their responsibilities to secure the electricity supply. They were given ample warning of the prospect of there being difficulties with supply. As I have done previously, I refer to letters sent by Yallourn Energy to the government through the minister on 11 November and 29 December last year and 5 January this year.

The government was well apprised of the problems. I note that notwithstanding questions put directly to her about the matter, the Minister for Energy and Resources has failed to advise the house of the correspondence she received, even though as I understood it she gave an undertaking to do so. She now has the opportunity to respond to those unanswered questions.

Hon. M. A. Birrell — Table the correspondence.

Hon. PHILIP DAVIS — As Mr Birrell says, it would be helpful to the house if the correspondence were tabled. Not only was advice from the employer about the specific dispute available to the government, it was evident to the public at large that there was a potential problem.

So far as I have been able to establish by referring to some newspaper articles, the warnings in the public domain appeared as early as 17 November last year. On that day the *Age* reported that:

> The threat of industrial action has sparked fears that Victorian households may face the risk of electricity shortages or price hikes.

That was reinforced progressively through January. The *Australian* reported on 11 January that:

> Victorians could face blackouts and electricity shortages this summer following the shutdown of one of the state's major power stations …

It is clear that the warning was given in the context of the advice offered about ambient temperatures and inevitable blackouts if other power stations failed.

As I have confirmed, Yallourn Energy was keeping the government informed, advising it of its difficulties and the risk to electricity supplies. The same was true of the national electricity market regulator, Nemmco. According to the *Age* of 11 January:

> Dr Charlie Macauley, the general manager of operations for the National Electricity Market Management Company … said power supplies in the three states would be 'grim' next week if the temperatures rose above 27 degrees for more than one day.

In answering questions and during debate on the issue in the house the minister has clearly said that she is fully apprised of the reports on power availability and reserve capacity that Nemmco is required to provide to the government. I am therefore surprised that the government and the minister have suggested there was nothing the government could have done until the lights went and load shedding occurred.

I note that the *Herald Sun* also gave similar warnings on 11 January, 12 January and so on. Without reciting

in full the information that was available in both the daily press and industry bulletins, clearly the government had been given ample warning — —

Hon. T. C. Theophanous — What, from the *Herald Sun*?

Hon. PHILIP DAVIS — You may not read newspapers, Mr Theophanous, but I am sure members on your front bench do. Perhaps that is the difference between you and them. The government was properly informed in a formal sense. The minister has acknowledged — —

Hon. T. C. Theophanous interjected.

The PRESIDENT — Order! Interjections relevant to debate will be endured, but those that are irrelevant will not. I ask Mr Theophanous to desist.

Hon. PHILIP DAVIS — The house has been given the evidence in the form of the minister's remarks that she was apprised of the reporting protocols of Nemmco. She has acknowledged that the information was available to her. What she has not declared is whether she sought separate briefings from Nemmco to better inform herself of the situation. I will be interested to know if she is prepared to say whether or not she did. I note with interest that as the state moved towards 3 February, when the unscheduled — —

Hon. K. M. Smith — Blackouts.

Hon. PHILIP DAVIS — When the unscheduled blackouts, if you want to use that word, occurred — —

Hon. T. C. Theophanous interjected.

Hon. PHILIP DAVIS — You are a dill, Mr Theophanous! Whose system is it? The electricity system is a regulated system that is in the hands of the state government to the extent that it is prepared to intervene and use the powers that are provided.

I quote for the edification of Mr Theophanous, given his acknowledgment that he does not read newspapers, an article in the *Age* of 12 February, which says in part:

> The restrictions that the state government had imposed in response to the industrial dispute at Yallourn Energy were apparently so rigorous that surplus electricity became available and was sold to New South Wales, where demand was high.
>
> By the logic of markets, this transaction was an efficient use of an available resource: surplus capacity must go somewhere.

The editorial further states:

> What is at issue here is not privatisation; the power utilities in other states remain in public ownership, but they too are part of the common market in electricity.

It is irrelevant who the owners of power stations are. What is relevant is the way the system is regulated. The system has been established to ensure there is a competitive market so that electricity is generated and sold at the most efficient price.

The reality is that the power to intervene available to the current government is the same as the power to intervene that was available to the previous government. Clearly the previous government was prepared to act in response to a threat to the supply of energy, as it did during the Longford gas crisis.

It is evident that the government has failed to understand that it has a responsibility to govern. At issue is the competence of the government and its responsibility for public administration.

Mr Theophanous wants to join the debate. I invite him to do so subsequent to my contribution. All the public references I have seen were consistent in warning the government to take action to prevent a disaster that was self-evident, because all Victorians were being informed on the issue. I can only presume that the government was informed because we know that Yallourn Energy and Nemmco were providing briefings.

I am advised that Nemmco briefed the Victorian government on 13 January about the possible blackouts from the Yallourn W dispute. Given that the South Australian government was provided with the same briefings on the subsequent day, it would be extraordinary if the minister and the government maintain the position that they did not know those events could occur. If they did not know I question their competence.

During January with the advice provided through the normal briefings from Yallourn, through daily correspondence and via the media, clearly the government failed to take action. It is an indictment of the government that it was reluctant to act; that was evident in its continual denial that there was an issue and that it had any responsibility. The excuses were based on the premise that the government had no responsibility to secure Victoria's electricity supply. On 8 December the *Age* refers to correspondence from Yallourn Energy. Mr Johnston, the CEO, is reported as saying that he:

> … had written to Mr Bracks in an attempt to brief him on the dispute, but the Premier had not responded.

> Mr Bracks said yesterday the government had no role in the dispute because Victoria did not have any industrial relations system.

What a cop out! What weasel words! The Premier is condemned by his own words because ultimately he intervened and must have known that he did have that power. In reality, he had the opportunity to put a case in the public domain and to make a moral argument. As has been demonstrated previously he had the capacity to make representations in the interests of the state through the Australian Industrial Relations Commission. He had the capacity to talk to the employers and employees under the powers vested in the Essential Services Act and the Electricity Industry Act. The Premier was ultimately compelled to intervene.

The Acting Premier also tried to weasel out of taking responsibility. Many would say that a political career was finished by his inability to understand that he had a responsibility as a competent member of government to take a competent position. I suggest that if the minister, who has been trying to weasel out of it in this house for the past couple of weeks, does not show more commitment in taking responsibility she will also suffer the same political fate to which the Deputy Premier has been consigned.

Hon. T. C. Theophanous — What's new? It's all in the papers.

Hon. PHILIP DAVIS — Mr Theophanous obviously has not read the press. If he had he would know, as I do, that those warnings had been made. Although the Deputy Premier tried to weasel out of his responsibility, it is clear that the National Electricity Market Management Company had advised that if the dispute was not resolved power demand increases during hot weather would cause shortages. All that evidence is well documented.

One of the important aspects of the parliamentary process and the Westminster system is that it provides a forum to create community leadership through the appointment of a government. Notwithstanding the change of government, I am disappointed that Victoria has gone from having clear, direct and well understood leadership on policy issues to one of confusion in many respects. The Premier had an opportunity to show leadership. On 18 January the *Herald Sun* editorial headed 'Time to lead, Mr Bracks' reports:

> The government has invoked the same Pontius Pilate approach to justify doing nothing about the Yallourn power station strike threatening our electricity supplies …

That encapsulates what the government is missing. It does not understand the role of government as a community leader and of taking a position on issues that affect the whole community not only when dealing with a simple, clear commitment to the nuts and bolts of administration but when dealing with agenda setting. It is unfortunate that the government has been negligent in leading the community on any issue, let alone the electricity industry dispute. The editorial was coincidental to the day of load shedding. On 3 February the *Herald Sun* editorial reports:

> The Bracks government must stop taking the Pontius Pilate option while allowing industrial chaos to crucify the state.

Later that day load shedding occurred. From that point intervention measures came into play. The Premier returned from overseas and, unlike the Acting Premier and the responsible minister, recognised that Victorians would not tolerate the difficulties imposed by an unnecessary level of load shedding in ways that were inconsistent with maintaining an orderly society. That led to some degree of overreaction by the government about the level of restrictions imposed. Unfortunately, given that the government clearly does not understand and has not understood the way the electricity market operates, it and the Premier were expressing disappointment that electricity that was generated in Victoria was sold interstate while restrictions were in place.

If the government had not misunderstood the nature of the marketplace and had not imposed restrictions that were more draconian than necessary during the days following load shedding some of the interstate sales may not have occurred. As the crisis unfolded the government failed to clearly and concisely comprehend what was required to manage through those few days.

Hon. T. C. Theophanous — What would you have done?

Hon. PHILIP DAVIS — I don't mind the interjection, but I become frustrated when it appears that Mr Theophanous has taken no interest in anything I have said today. I have already been through it, Mr Theophanous.

Ample warnings were given that the government should provide leadership and move to resolve the dispute. It should have ensured the parties to the dispute understood that the government would have no recourse but to invoke measures available to it to guarantee the supply of electricity throughout Victoria. Those measures are far more significant than those available during the former government's management of issues associated with the redevelopment of the

Longford gas installation; that process could have put winter gas supplies at risk.

Mr Theophanous may or may not take note of what I have said. However, the government had the opportunity to anticipate events. The opposition was advised by the government that the major incidents committee of cabinet had been meeting throughout January to monitor developments. The Minister for Industrial Relations and the Minister for Energy and Resources have talked about monitoring the situation and about being in constant touch with what was occurring as developments evolved, but I am intrigued to learn that the government seemed to have no plan of action. It was in a state of denial, as has been demonstrated. The government claimed it was not responsible for attempting to settle the dispute; it claimed it had no powers to intervene.

Only after the electricity supplies failed was the government coerced by public outrage to act. I note that the blackouts and load shedding that occurred on 3 February resulted from the government's failure to deal with what were, essentially, critical issues — that is, the point at which it had to judge that power supplies in Victoria were at risk. It failed to make that judgment competently. The argument made by the opposition about the issue revolves around what options were available to the government, as I said earlier.

It is with some regret that I have moved the motion. I did so to give the house the opportunity to express its view about the performance of the government on a serious issue of public administration. My preference would have been for the government, through the Minister for Industrial Relations and the Minister for Energy and Resources, to have responded precisely to questions asked by the opposition during the first few days of this sessional period. But the Minister for Energy and Resources has tried to avoid any responsibility and, more importantly, has not answered questions put to her two weeks ago by me, my colleagues on the front bench and the Honourable David Davis. The minister has consistently avoided her obligation to give an account of herself in this place. Her performance has been disgraceful, which is a shame because as a new minister she has displayed a failure to understand the forms of Parliament; she has failed in her responsibility through Parliament to the Victorian public.

Hon. C. C. BROAD (Minister for Energy and Resources) — It will be no surprise to any honourable member to learn that I reject the motion. I will demonstrate to the house that the problems that arose in the electricity industry in the past months were the direct result of the policies of the former Kennett government and its break-up and privatisation of the former State Electricity Commission of Victoria.

A recent newspaper article described the privatisation of the SECV as a pancake hitting the kitchen floor rather than landing in the frypan. The article said that former Treasurer Stockdale conveniently bequeathed to Labor — —

Hon. Bill Forwood — On a point of order, Mr President, will the minister outline the source of her quotation, the document from which she quotes, its date and author?

Hon. C. C. BROAD — I was paraphrasing, but I am happy to be more explicit. The article was under the headline 'My admonishments to Victoria's new chief'. It appeared on page 15 of the *Age* of 3 March. Its subheading states:

> Steve Bracks must tear up Alan Stockdale's recipe for disaster.

Hon. Bill Forwood — On a point of order, Mr President — —

Hon. C. C. BROAD — The next line contains the name of the author. The article is by David Hayward.

Honourable members interjecting.

The PRESIDENT — Order! The idea of a quotation is to refer to the nature of a report. Obviously the minister has an article written by a person with a certain view. It could be an editorial that carries a different meaning or a report of some document tabled elsewhere. It is important to give full information about the nature of the quotation to which a member intends to refer.

Hon. C. C. BROAD — In any event, the article goes on to outline the mess the Kennett government, under former Treasurer Stockdale, has bequeathed the Bracks government.

Honourable members interjecting.

The PRESIDENT — Order! Mr Philip Davis was able to make his contribution; the minister is entitled to the same courtesy from the house.

Hon. C. C. BROAD — The opposition has placed great emphasis on what it now refers to as the recent electricity crisis in Victoria. That is something of a dramatic turnaround in the policies and attitudes pursued by the former government and the actions it undertook. As all Victorians are now aware, the

national electricity market arrangements put in place by the Kennett government mean that private sector generators lack the incentive to ensure security of electricity supply — that is, to generate electricity for customers. If anything, the incentives under the system put in place by the former government worked in the opposite direction.

There is a startling exposition of how those incentives work in a report a copy of which I do not have with me in the house but which can certainly be provided if members of the opposition want to know the document's source. The Victorian Power Exchange report contains the following statement about the expectations of electricity market participants:

> Many market participants believed that the market needed to experience some interruptions for the market to appropriately value supply and thus to determine the supply/demand balance.

It goes on to say any intervention to keep the power on — that is, to keep the lights on in the state of Victoria — would be seen as resulting in an unacceptable market distortion. In other words, the expectation of the participants in the electricity market system put in place under the previous Kennett government was that the market would operate much better if there were some interruptions to the electricity supply. That is again something of a contrast to the professed concern that the opposition now has about ensuring electricity supply in this state.

As a result of recent events all Victorians are also now well aware that the former Kennett government sold the electricity generators to the private sector without including any obligations whatsoever in the sale contracts requiring the purchasers to supply electricity. One would think that if, as they would now have us believe, the opposition while in government were concerned to ensure that electricity would be supplied to customers — that the lights would stay on, that the power would stay on — —

Honourable members interjecting.

Hon. C. C. BROAD — One would think members opposite might have ensured that there was a requirement in the sale contracts for the electricity generators to do something as fundamental as supply electricity.

Hon. R. M. Hallam — You don't understand the basics!

Hon. C. C. BROAD — I think the opposition did not understand the basics.

Hon. R. M. Hallam interjected.

Hon. C. C. BROAD — Victorians should also be aware that under the memorandum of understanding (MOU) signed by the previous Kennett government the role of the National Electricity Market Management Company (Nemmco) in managing electricity supply shortfalls was also explicitly recognised. All jurisdictions involved in the national electricity market, including Victoria under the previous government, gave a commitment to use the mechanisms contained in the national electricity code for dealing with supply shortfalls until they are no longer manageable under the electricity market mechanisms.

Honourable members interjecting.

Hon. C. C. BROAD — The commitment given by the previous Kennett government was specified in the MOU, which states:

> The jurisdictions recognise that the rules for the operation of the national electricity market provide for procedures to manage major electricity shortages.

Hon. N. B. Lucas — On a point of order, Mr President, I have been listening carefully, while I have been able to do so, to what the minister has had to say. I direct you to the fact that the motion says:

> That this house condemns the government for its incompetence and mismanagement of the recent electricity crisis.

That occurred in February. From what I have heard in the minister's contribution to date, she started by talking about the former Kennett government's activities and how contract agreements were set in previous times. In the past 10 minutes the minister has still not mentioned anything to do with the recent electricity crisis, which is the subject of the motion. I ask you to direct the minister to commence addressing the motion before the Chair.

The PRESIDENT — Order! The doctrine of relevance applies to everything the house debates. If, for example, the house debates a proposed statute, that is central to any surrounding issues that are discussed. It is obvious that the minister must respond to the motion before the house. However, the house does not impose a discipline that says a minister must respond directly to the issue within the first 15 minutes or even within the first 30 minutes. A minister — or a member of the opposition — is entitled to give the background in some detail. The house does not have any time limits.

Although I uphold the requirement that ultimately the minister's response must be directed to the motion

before the house, the house does not dictate the manner in which she puts that response together.

Hon. C. C. BROAD — I can well understand the opposition wishing that the actions of the former Kennett government had no bearing on the events in February, but that is patently not the case. I am in the process of outlining how the actions of the previous Kennett government directly affected the events in February.

As I was saying, the memorandum of understanding (MOU) signed by the previous Kennett government on the matter of major electricity shortages — which by any definition is what we experienced in February — also states:

> Consequently, the jurisdictions acknowledge that as far as practicable these procedures should be allowed to operate to deal with major electricity supply shortages before the exercise of emergency powers is considered.

So under the MOU signed by the previous Kennett government the Victorian government was prevented from exercising emergency powers when confronted with major shortages in supply until it had been demonstrated that the electricity market procedures had failed. That happened courtesy of the previous Kennett government — so much again for the opposition's professed concerns about the state government intervening to ensure electricity supplies.

As Victorians are aware, the Bracks government imposed restrictions as a response to load shedding. The shedding that occurred under the Nemmco procedures — that is, the protocols signed by the previous Kennett government — were, as we all know, extremely destructive to communities generally. They were destructive not only to households and businesses, including those operating traffic lights and important health facilities, but also in a number of other areas to which I have already referred.

The restrictions put in place by the Bracks government provided much greater certainty of supply to business and households, and certainly in the consultations in which I was involved, they were welcomed.

Hon. R. M. Hallam — The lights went out! How was that certainty?

Hon. C. C. BROAD — No, they did not. The restrictions were welcomed by business in preference to power interruptions. Power restrictions were certainly successful in reducing the demand for electricity, and as a result any further power cuts were avoided.

Victorians should be aware that it was a deliberate policy of the former Kennett government to leave planning in the energy sector to the national electricity market and the wider market.

To ensure opposition members are well apprised of the situation I will provide details from an article by John Legge in the *Age* of 21 February entitled 'Power failure exposes flaws in state gripped by market vice'. The article makes some interesting observations about the deregulation of the electricity supply market by the former Kennett government and points out that commonsense did not enter into the decision to deregulate electricity supply in Victoria or, before that, the decision to deregulate the electricity industry in Britain, on which the Kennett model was clearly based. The failure of the British system is explicitly recognised and the regime has been drastically revised.

The recent power shortages in Victoria reflect a fundamental flaw in the approach the economists took to the electricity market. People in ordinary households and businesses expect the lights to come on when they turn on a power switch, and there must be sufficient capacity in the system to cope with peak loads. Unfortunately the economists advising the former government regarded such an expectation, which ordinary people might regard as a necessity, as taking something of a gold-plated approach to electricity supply — hence the policy to quite deliberately drive down the capacity of the system in the interest of driving up prices.

It is now evident to all Victorians that in deregulating the electricity industry the former Kennett government paid too much heed to the views of the economists and precious little heed to the needs of the Victorian community and Victorian businesses.

The Bracks government is taking action to address the failure of the system put in place by the Kennett government and will secure electricity supplies. The government has formed a ministerial committee, which I will chair, to review the events of the year. The review is examining the inadequate protocols for load shedding put in place by the former Kennett government. The government will put new protocols in place to ensure the relevant bodies regulating the privatised electricity companies provide the community and the government of the day with accurate and timely advice and information whenever there is a threat to power supply.

The ministerial committee will also examine issues relating to the security of supply and in particular will assess the expected future demand and supply options for increasing capacity where that is required. A

number of options will be examined as part of the work of the committee, including the value of interconnects, greater use of demand management such as interruptable power contracts, co-generation and, in line with an important initiative agreed to by both sides of the house yesterday that reflects the importance of renewable energy, sustainable energy will also be examined as an important facet of managing those issues in the future.

In line with an important election commitment the Bracks Labor government will also create the Essential Services Commission, which will be given the necessary teeth to ensure the electricity industry is properly regulated, balancing the interests of suppliers and consumers, including businesses and households.

I direct the opposition's attention to the poll published in yesterday's *Herald Sun*, which presumably the shadow minister read before moving his motion today. The poll asked Victorians who they thought was to blame for the recent need to impose power restrictions in Victoria. The results were quite interesting: 42 per cent of Victorians blamed privatised electricity companies; 29 per cent blamed the unions; and 13 per cent blamed Jeff Kennett. Perhaps opposition members might ponder these figures and their decision to privatise Victoria's electricity supply.

Hon. N. B. Lucas — On a point of order, Mr President, the minister is still not addressing the basis of the motion. The motion before the Chair specifically deals with the mismanagement of the recent electricity crisis. The minister has given a long diatribe about the Kennett government and electricity in general and has quoted a number of people, including John Legge, of whom I have never heard. Opposition members wanted to hear, through debate on this motion, how the minister justifies her position that the government has not mismanaged the situation or been incompetent. We have not heard an answer to that quite specific accusation by opposition members.

Hon. C. C. BROAD — I have concluded my remarks, and I believe there is no point of order.

The PRESIDENT — Order! The Chair is in some difficulty. It cannot force a minister to say anything if he or she makes remarks that are relevant to the matter before the house. The minister, at the very most in a partial way, has dealt with the issues raised by Mr Philip Davis. The minister has concluded her remarks. I can say that she has not addressed the motion, but I cannot force her to add to what she has said. The minister has clearly said all she wishes to say on this occasion. Unless there is a suggestion from the house to shorten the rack, I am not aware of any other action that can be taken by the Chair. I uphold the point of order, but I cannot enforce the result the honourable member is seeking.

Hon. M. A. BIRRELL (East Yarra) — I have just seen the most extraordinary abrogation of responsibility I have witnessed in this place in 17 years. Honourable members have seen from the Minister for Energy and Resources an unwillingness to address the motion before the Chair. No comment was passed by the minister on the motion before the Chair. The words 'electricity crisis' were not mentioned. The words 'January' and 'February' were not mentioned. The difficulties of individuals during the electricity crisis were not mentioned. The disconnection of electricity that affected the lives of people and the livelihood of businesses throughout the state was not mentioned.

The minister thinks she can come into this place and not be held accountable for her actions — she is mistaken. She believes ministerial standards can be lower for her than can normally be expected in this state — she is mistaken. The minister believes the issue will go away.

Hon. C. C. Broad — It has gone.

Hon. M. A. BIRRELL — Let that go on the record — 'It has gone'. The minister tries to evade scrutiny and avoid being held accountable. She tries to avoid talking about the topic, saying, 'It has gone'. The issue will stay with her because that issue marked the beginning of a ministerial career that she thought promised so much. The first thing the minister did as a minister of the state was to decide deliberately to not tell the truth. She came into this place and decided she would not tell the people of Victoria what happened during those days in January and February. She decided she would try to cover up the truth. She came into this place with standards that could be expected of some minor apparatchik who thought she was not accountable.

Honourable members know ministers are accountable and we know the minister should own up and admit her activities, but she has not done so. The house heard no mention in debate of the issues my colleague Mr Philip Davis so wisely raised and asked questions about. The minister decided not to mention in any way what happened regarding the advice she was given in January that an electricity crisis was impending — advice she took no action on.

The minister decided there should be no scrutiny of her failings as Minister for Energy and Resources. She

believes the way of securing no scrutiny is to be silent, to cover up and not be frank and honest. The minister personally decided in January that the advice she was receiving was not sufficient to tell the public about. As a consequence, the public was left literally in the dark and can attribute the responsibility for that situation to the negligence and incompetence of the minister who has just finished her speech.

Is the opposition alone in asking those questions? Is the Honourable Philip Davis all on his own? Of course not. Will it be the opposition in future asking such questions all on its own? No, it will not be. Will it be the minister who is eventually personally held to account? Yes, it will be. I say to you, Ms Broad, very deliberately that it will take the crooked little smirk right off your face.

Through you, Mr President, the first questions I would like the minister to answer are the ones posed by the *Age* newspaper in its editorial of 5 February 2000. If the minister does not want to give the Parliament an answer, she might want to give the public an answer. Under the editorial heading 'Too much heat, not enough light' the *Age* editor makes the point that the cuts to electricity raise important questions about the power industry and political power. The editorial states:

> It is not good enough. The Deputy Premier, Mr John Thwaites, who was Acting Premier when the cuts were first imposed on Thursday, seemed confused and unconvincing in his response to the problem. The state Minister for Industrial Relations, Ms Monica Gould, seems utterly out of her depth and incapable of making any impact at all.

It continues:

> The public deserved more action and more spirited responses from the government than it received.

I agree with that conclusion. Today the opposition has asked the government to explain what it was doing in January and February — but this pathetic minister does not want to talk about January and February; this pathetic minister did not even mention the electricity crisis; this pathetic minister thought that by saying nothing the issue would go away. Keep writing, Minister, because you would not want to look up. You will be held accountable. Beavering away at your desk will not help you to avoid scrutiny. Looking at your books will not help you avoid the questions. Do not think for a second that the issue is over. Through you, Mr President, it is part of you, minister — it is part of the measure of your competence, and it is part of your failings as an individual.

The opposition wants to know what the minister knew. It wants to know what the minister was doing in January. Was she asleep at the wheel or simply not there at all? The minister has taken responsibility for the issue. The Leader of the Government in the house has said the minister is responsible for the issue. Why is it then that the minister will not talk about what she did regarding the issue?

In January the minister was told there was a shortage of electricity pending as a result of the recent extreme strike action in the Latrobe Valley. She was told a power station was going to be shut. She knew that would be likely to lead to electricity shortages. No wonder the minister does not want to be held accountable. She will be caught out. The opposition has made freedom of information requests that tackle the very issue of what the minister knew.

It is notable that on every occasion that members of the house have asked the minister to table information and documents, the minister has deliberately failed to answer questions. On not one occasion has the minister said she will make available to the public the information she had because that information would prove one thing: the minister knew about the electricity crisis and did nothing — not a single thing.

Hon. R. M. Hallam interjected.

Hon. M. A. BIRRELL — As Mr Hallam interjected, since then the minister has tried to cover up what happened. She knew what was going to occur and let it happen. What does 'let it happen' mean? In simple terms letting it happen meant that people went without the electricity they needed. Letting it happen meant massive social and economic dislocation for the state.

Hon. R. M. Hallam — No chance to prepare — that is what it meant.

Hon. M. A. BIRRELL — It meant no chance to prepare because no notice was given by the government. If people had been given notice, the most extraordinary situation experienced would not have come about. In Melbourne traffic lights went out and people had car accidents as a direct result. As Mr Philip Davis indicated, individuals on home dialysis machines found their machines stopped because there was no electricity. In the extreme heat of that day elderly people found their airconditioning, vital to their wellbeing, shut down, and there was no explanation. What was the source of the first information regarding the crisis? It was not the government. The information came by way of a rumour announced by radio station 3AW. So 3AW told us what was happening before the government did!

The opposition asks the question: why didn't the government want to tell us? The answer is simple, even

if that answer underlines a capricious and devious motive — that is, the government did not want to be at all involved in the industrial relations dispute in the Latrobe Valley. Therefore it invented the line that it had no powers. It could not afford to make a public announcement that the industrial relations dispute was causing a loss of electricity because that would have led to the public suggesting that the government not sit on its hands but instead try to resolve the dispute.

The government was paralysed with fear about being involved in and being seen to have to settle industrial relations disputes and therefore offend its union allies. It was a clear strategy; we all witnessed it. The Premier, the Acting Premier and the ineffective Minister for Industrial Relations said, 'We've got nothing we can do to solve these disputes. We've got no powers. We can't do anything.' Of course they did not want to put out a press release saying that the dispute could lead to electricity cuts, because then the heat would have been put back on them. They avoided that by saying nothing, at great social and public expense. All the difficulties that occurred during the blackouts and unpredicted, unannounced electricity cuts to Melbourne and other parts of Victoria occurred because of the government's negligence.

The minister dares to come into the house and not even mention January. What happened to January? Did it disappear? There is as much mystery about January as there is about Mr David Legge!

An Honourable Member — No, John Legge.

Hon. M. A. BIRRELL — John Legge, whom the minister relied on in her incompetent speech. When challenged by interjection to say who the hell it was she was quoting, the minister could not even respond to say who it was because she did not know. She just takes a speech that is put into her hands, reads it out and makes an absolute fool of herself. The minister is not in charge of her portfolio; she is not even in charge of her own speech making. As a result, when the opposition asks questions such as, 'Who the hell are you quoting?', she does not even know. The opposition has no understanding of why the quoted material had any bearing on the debate, because the debate is about the electricity crisis.

I almost expected the minister to say that the electricity crisis resulted from the Howard government's introducing of the goods and services tax, because that is the other line she uses! Everything that goes wrong in Victoria is because of either the Kennett government or because of the Howard government's introducing of the GST, and nothing else! The opposition has witnessed a government that not only manages a public crisis incompetently, but does not want to explain its behaviour in managing that crisis. That really raises the question: if the crisis was all the fault of the national electricity system, which was somehow unilaterally created by the Kennett government, why do the faults cause problems only in Victoria under the newly elected Labor government? How curious it is that the system did not cause any faults elsewhere? How curious it is that it did not cause any faults under the Kennett government? Dare I say that this minister's incompetence, inability to lead during a crisis and inability to impart proper information to the public was at the heart of the crisis?

What do we know about January and February 2000, the early days? Two surprising things about January and February are that it was summertime and it was hot. Apparently being hot in summer is an unexpected phenomenon for the Minister for Energy and Resources, because people are expected to believe that heading into the hottest time of year an entire power station could be shut down without the need to tell the public about the problem. Of course there was prior warning, but even that did not lead the government to inform ordinary citizens about the problem.

I will refer to a random and by no means comprehensive selection of articles. The *Age* of 20 January contains an article headed 'Power cuts fear over legal fight'. An article in the *Australian* of the same day starts with the words:

> A dispute that threatens to interrupt Victoria's power supply escalated dramatically yesterday …

The *Herald Sun* of 15 January contains an article commencing with:

> Victorians could face power restrictions as early as next week.

Hon. R. M. Hallam — Didn't you read them, minister? Didn't they reach you on holiday?

Hon. M. A. BIRRELL — Were you asleep? Through you, Mr President, I ask the minister: were you, like most ministers, away on holidays and not treating it seriously? Didn't it really matter?

In January the industrial dispute increased radically. Although under the Kennett government the fighting went on for some months it never led to a shutdown of the facility, but under the Labor government it did. When opposition members read the newspaper clippings of 15 January, 20 January and other dates they asked, 'Will the dispute lead to an electricity shutdown?', and, 'Where is the government?'.

An Honourable Member — Where is the minister?

Hon. M. A. BIRRELL — And, 'Where is the minister — either of the ministers who are supposed to be in charge — the Minister for Energy and Resources and the Minister for Industrial Relations?'. The bottom line is that the government was in denial.

Hon. C. C. Broad interjected.

Hon. M. A. BIRRELL — You had better worry about your reputation, Minister. The government was in absolute denial. It did not want to be involved in the industrial dispute, because to be involved meant that in its early days it would have to take a stand against one of the union allies that helped put the Bracks government in place. Therefore it did not want to put out any press releases saying that the dispute could lead to an electricity shortage — and it did not. Whatever word one wants to use to describe the government's actions — capricious, deliberate, cynical — the public was left out of it. Even though journalists pursued the issue, the government did not.

Late in January the government should have told the public and warned individuals, such as the elderly who rely on airconditioning for their personal safety and comfort; people who rely on electricity for health equipment in their homes, in nursing homes or even in hospitals; and people in small businesses. Such people could have brought in backup equipment, but they did not, because they were not told. All those people could have been warned. Why were they not warned?

Why was a press release not put out in late January, or at the very least, why did the Victorian Labor government not do what the South Australian government did? The South Australian government put out a press release ahead of the problem and thereby avoided the crisis. It managed its way through in a cool, reasoned and wise way. As a result of the wisdom imparted by the South Australian government through its reasoned statements, early notice and coolness in the crisis, individuals and small businesses did not suffer. They were warned.

South Australia had organised load shedding, public announcements and the full involvement of the community during the crisis. That is the professional way for state leaders to handle a state crisis. It did not happen in Victoria. The cause of the industrial relations dispute and supply of energy to the two states was identical. There could not have been a more parallel set of circumstances. The Victorian government was either asleep at the wheel or not at the wheel. Perhaps it had its feet up at the beach. The opposition wants to know where the responsible ministers were. The Minister for Energy and Resources does not want to talk too much about January and February. The opposition needs to know the truth.

One fact the opposition does know as a result of questioning by Mr Philip Davis, Mr Craige and Mr Hallam in this place is that the major incidents committee of cabinet was meeting on the crisis.

Hon. R. M. Hallam — Perhaps it had its meetings at the beach!

Hon. M. A. BIRRELL — The opposition does not know where the meetings were held. It will not be told because the minister includes that in her basket of secrecy. The opposition does know that the committee was meeting and it was implied it was meeting before the crisis. If that is true it will be one of the telling blows laid on the political career of the minister.

Hon. C. C. Broad — You are very dramatic. You have missed your calling; you should have gone on the stage.

Hon. M. A. BIRRELL — I welcome any contribution the minister wants to make. The opposition will even give her leave if she wishes to speak again on the motion, but I suspect she does not want to and is quite worried about the prospect of constantly being asked what she knew.

Hon. C. C. Broad — Do I look worried?

Hon. M. A. BIRRELL — Yes, you do.

Hon. C. C. Broad — You can talk as long as you like.

Hon. M. A. BIRRELL — I do not need length to pull out of you your arrogance and lack of openness. I have been around this place long enough to know that we always catch your type. You remind me of a former member of this place, the Honourable Jim Kennan. You have a lot of the same characteristics — and you know what happened to his career.

The opposition knows that the major incidents committee of cabinet was meeting. If it was meeting before the electricity crisis it is proof positive that ministers knew. How could the major incidents committee of cabinet be meeting before the incident took place unless it knew that the crisis was so extreme that cabinet should meet? It is proof positive of the knowledge cabinet had and kept to itself. It is not surprising that the minister does not want to release the information, but she will eventually be forced to release

the documents that were in her hands in January and February because they will point to her prior knowledge and understanding of the crisis and when compared with the duplicitous statements made to the house be further evidence that she knew in advance. The minister will be well and truly caught out.

The bottom line is that in the early days of this government it believed the best thing to do was say nothing about the topic. It is unbelievable that the opposition has moved a motion to condemn the government for incompetence and mismanagement and the minister responsible will not reply to it. I have never heard of a motion being moved in the house and the minister not responding to attacks of incompetence and mismanagement. Ministers always respond to such attacks. There is only one reason I can deduce for the minister's not responding — because she is guilty. The raising of the issue is sufficient reason for the minister to talk about the topic, but she does not want to. It is sufficient evidence that the minister knew about the problem, but she does not want to have to explain it in the elaborate detail required in a motion such as this.

I ask the minister to dwell on some important facts. Individuals suffered as a result of her incompetence. All honourable members know of small businesses that lost money, lost contracts or had to stand down staff as a result of there being no electricity. On a far more human scale, individuals throughout Melbourne suffered because they had not been given notice of an electricity problem that the government knew about. Indeed, people throughout Victoria suffered. On a boiling hot day people not only suffered because there was no electricity, but they suffered because equipment they needed failed or was turned off. They should not have suffered. They should not have been put through it.

The opposition would have expected any minister who was confident of her behaviour in January and February to make a statement to the house that indicated why honourable members should share her confidence. Mr Davis deserved a response. If the minister wished she could have called them allegations. If she wished she could have disagreed with the honourable member's statements, but she chose to do neither. She did not rubbish them as allegations or deny them as being facts; she just kept up a consistent form of behaviour of not telling the house the full truth. The minister maintained a tortuous route of saying that the former Kennett government had unilaterally formed a national electricity market. The minister should talk to her former employer, Prime Minister Keating, whom she tried so loyally to get re-elected in 1996, because he was the person who signed off on the entire national electricity concept.

Hon. C. C. Broad — Are you blaming Paul?

Hon. M. A. BIRRELL — No, I am saying that you are an absolute idiot for running that argument. It has as much to do with the Howard government as it has with the former Keating government, or anyone who had something to do with the national electricity market. That is not the issue. The issue is whether proper action was taken in January or February. Was proper advice given to the public? The answer is no. If the South Australian government could give proper advice why could not the Victorian government give similar advice? Given the information flow available to the minister, why was that information flow not provided to the public? Why were they, in a colloquial sense, first kept in the dark and in the end practically put into the dark as result of this dispute?

I commenced by quoting some comments in an *Age* editorial. Those quotes were apposite and reflect the questions that remain unanswered to this day. As the *Age* editorial said:

> It is not good enough.

Hon. G. W. JENNINGS (Melbourne) — I commence my contribution by putting two things starkly on the record. The first is that the government is sorry for the inconvenience caused to Victorians during the period of electricity supply shortage.

Honourable members interjecting.

Hon. G. W. JENNINGS — The second thing I want to put on the record is that the question of why the situation occurred in Victoria rather than affecting the national grid is related directly to the actions of the former government in establishing the regulatory regime for distributing electricity that applies in Victoria.

It is important not only to establish appropriate parameters for the debate but also to differentiate between the public utterances of the previous government and the undertakings it entered into during the 1990s — and the consequent expectation of the citizens of Victoria that their interests would be protected. That includes examining the consequences of the private contracts the former government entered into, including the lack of a satisfactory regulatory regime to allow current and future Victorian governments to effectively intervene in the privatised marketplace.

The problems in the industry have not emerged as a natural consequence of the establishment of a national electricity marketplace. The important question to ask about the actions of the former government is whether the regulatory regime it established, which included the contractual and licensing arrangements, contained adequate protection mechanisms. The Bracks Labor government is absolutely clear — —

Hon. B. C. Boardman — Give specific examples.

Hon. G. W. JENNINGS — I am happy to give Mr Boardman specific examples of the areas in which the regulatory regime and the marketplace failed the Victorian community.

As I said, my contribution to the debate will focus on the differences between the public utterances of the former government and the consequent expectations of the Victorian community, as distinct from the effects that the private contracts are having. I will commence by giving a brief description of how my day started.

This morning I happened to be listening to ABC radio, the public broadcaster that has been the beneficiary of parliamentary scrutiny as a result of a reference the former government gave to a parliamentary committee, which examined the ABC's ongoing economic viability. At the time the former government justified those worthy terms of reference by saying it wanted to ensure that Victoria's vital communication, information and entertainment industries were protected. However, they represented an intervention in the activities of a public broadcaster.

The issue being discussed on the radio led me to nearly choke on my Vegemite toast, not because I was overwhelmed by guilt for consuming what Dick Smith would describe as a totally destabilising product given that it is owned by a foreign company but because of the comments of a colleague, the Honourable Peter Batchelor, the Minister for Transport, who was discussing the nature of a number of contracts entered into by the former government that have an impact on the transport sector in Victoria.

Hon. B. C. Boardman — On a point of order, Mr Deputy President, I refer you to the President's ruling on the point of order Mr Lucas raised when the minister was on her feet. I remind the honourable member that the motion is specific and definite: it condemns the government for its incompetence and its mismanagement of the recent electricity crisis.

In his ruling the President made the point that the motion relates to the events of January and February 2000, not to contracts or historical agreements that have previously been in existence. Neither does the motion have anything to do with other portfolio responsibilities. Mr Deputy President, to ensure there is no continuation of the precedent set by the minister in her pathetic response, I ask you to bring Mr Jennings back to the motion.

The DEPUTY PRESIDENT — Order! The honourable member had just begun his contribution, so I allowed him to build on it. I believe his introduction has now reached its end, so I direct the honourable member to come back to the motion.

Hon. G. W. JENNINGS — I have no problems with that, Mr Deputy Speaker. My argument about the failure of the various contractual arrangements is vitally relevant to the debate. The minister said earlier in the debate that by their very nature the contracts the former government entered into with the electricity generators contain no requirement for the generation of electricity. That omission is of vital concern because the people of Victoria rightly and reasonably expect that electricity will be generated and that a legal framework is in place to ensure that it is generated.

I return to the example I gave of the transport sector contracts. Given the nature of the contracts entered into by the former government, the people of Victoria had the reasonable expectation that the establishment of the transport infrastructure would not entail any sovereign risk. However, the Victorian community may be concerned to discover that there was some sovereign risk, which resulted in the provision of state government compensation that related to the resolution of a dispute between the constructor and the future manager of the Transurban network.

The failure of the state to intervene led to a reduction in the supply of electricity at the beginning of February. That suggests that the Victorian government was hamstrung in its capacity to apply the contractual or licensing arrangements needed to bring the parties together.

Hon. B. C. Boardman — What about the legislative provisions?

Hon. G. W. JENNINGS — As Mr Boardman says, invoking the Electricity Industry Act was the mechanism by which the state government chose to intervene. It is clearly on the public record that that occurred on 4 February. Honourable members should be aware that the Electricity Industry Act is a blunt instrument in its application. It is not the preferred, reasonable and considered response that the opposition has been calling for during the debate.

I am happy to bring a sense of perspective to the debate by discussing the nature of the industrial relations issues that were developing at Yallourn for some time, the role it plays in the electricity sector in Victoria, the nature of the industrial dispute and the capacity of the government to intervene. They are key elements in understanding the reasonable expectation of the role the Victorian government should play when such situations emerge.

The critical test for a government is to apply the public interest test to its potential intervention. The public interest test the government applied was to determine its priority in acting in a way that ensured electricity was supplied to Victorians. A secondary concern was to enter into the sphere of industrial relations on the basis of being fair and reasonable to the parties concerned and not to intervene inappropriately to prejudice outcomes that should be determined within the framework of the industrial relations system.

The third measure of public interest test for the people of Victoria should be the capacity of the Victorian government to facilitate and encourage ongoing investment within the electricity sector. The government should encourage companies to invest in and function within the electricity sector.

Honourable members interjecting.

Hon. G. W. JENNINGS — The protestations of the opposition are about the capacity or the intention of the government to intervene. The government's actions satisfy those undertakings and expectations in the public interest test. As all members of the house would be aware, the former government deferred industrial relations powers to the federal jurisdiction. It has always been acknowledged by the government that workers in that field are covered and have always been covered by federal awards.

The situation had been building for months prior to the expiry of the enterprise bargaining agreement and industrial action had been undertaken by both parties in the dispute. That is an aspect that the opposition, in the luxury of opposition, continued to ignore. Both sides in the dispute pursued industrial action during January. Clearly work bans were put in place that had the effect of restricting power supply, and the generator determined to increase the effective restrictions by engaging in its own industrial activity.

Hon. K. M. Smith — Are you saying they have no rights?

Hon. G. W. JENNINGS — The company has rights under the federal industrial relations act. In January both the employer and employees through their unions chose to take industrial action. It could be argued that the net effect of the industrial action pursued by both sides led to the reduction of electricity supply in Victoria.

The government used its best endeavours to achieve a resolution within the existing industrial relations framework that would position the government and the people of Victoria as even-handed players during the course of the dispute. For some time attempts had been made within the realm of appropriate government activity to try to get the parties together to resolve matters rather than taking onerous and precipitous action within the federal jurisdiction.

It has been suggested that the role of the state should be to go to the Australian Industrial Relations Commission and intervene. In many ways that militates against the spirit and intent of the federal government's industrial relations system. The Labor government and the Australian Labor Party are keen supporters of conciliation and arbitration within the framework of the industrial relations climate. Unfortunately, mechanisms that are available to the commission at this time are limited in their scope on any application for conciliation and arbitration. If the government sought to intervene prematurely at that time the commission could have been hamstrung in its capacity to arbitrate in a way that was previously available to it.

To use a boxing metaphor, the referee was given instructions that the only option available was to give a technical knockout to the contestant in the blue corner. The commission has a limited capacity to arbitrate in a way that was previously available to it before the most recent amendments to the Workplace Relations Act. On that basis the path chosen by the government to assist the parties to come to a resolution eventually brought them to the table to mediate in the dispute, which is the role the Victorian government believed was appropriate and had the net effect of resolving the dispute.

Hon. Bill Forwood — Totally against your original strategy of doing it.

Hon. G. W. JENNINGS — The significant issue is how the Victorian government intervenes in various elements of a dispute and within the national marketplace. In the current industrial relations climate there is a combination of federal jurisdiction, which is predetermined in many ways by the regulatory regime in the application of the electricity industry under the framework established by law in Victoria. They were the constraints on the government, which managed its

way through to restore electricity to the citizens of Victoria.

Hon. Bill Forwood — Don't you agree that if you had started earlier we would not have got to where we did?

Hon. G. W. JENNINGS — From opposition interjections today an observer might believe an ongoing and lasting crisis embroils the Victorian community. The acute urgency and limits of the crisis, as defined by the opposition, were restricted by time. I have already gone on the record to apologise for inconvenience caused, but the time frame in which the crisis was played out was limited.

It is important to recognise or acknowledge how the marketplace and the regulatory regime work in Victoria. The history of the events of 3 February in Victoria will demonstrate some failings in the way the marketplace works and the regulatory regime applies in times of acute electricity shortages. It is important to understand how the system operates and what options are available to the Victorian government to intervene. I will briefly explain how the marketplace works.

The national electricity market was established at the same time as the generation and distribution networks in Victoria and other places were put in place. In Victoria that led to the establishment of a number of power generating and distribution companies. The generators feed the electricity supply through the national market and effectively act as a wholesale distribution company to the distribution networks. The role of the Victorian government in overseeing the generation and distribution of electricity has been referred to Vencorp, the body upon which the government relies to establish the level of electricity supply required in Victoria, and to pass that on to the wholesale supplier Nemmco which, in turn, on-sells the electricity to the distribution companies.

The government was confronted with an acute power shortage on 3 February, as the minister has said in this place. On that morning the government was advised of the potential on that day for a shortage of electricity supplies in Victoria. When the advice was received by the government it was mindful of the mechanisms that could come into play to reduce the power load within Victoria. They involve Vencorp advising Nemmco on the amount of electricity that is required in the state and Nemmco deciding how much electricity should be taken from the system. It then has to decide to withdraw supplies from the various distribution companies in an allocated period, and the distribution companies withhold a degree of their supplies from certain geographic pockets within their distribution network to reduce the load across the system.

That elaborate mechanism that allows the marketplace to determine where electricity is supplied and where it is denied to the Victorian community is totally at arm's length from the Victorian government. The mechanism is a pure application of the process of the market, with a lack of a regulatory regime in Victoria and with no capacity for the Victorian government to intervene quickly within the marketplace to protect Victorian citizens, companies, hospitals or the operation of traffic lights. It is a marketplace that potentially can jeopardise the wellbeing of many citizens if insufficient mechanisms are not in place either to alert citizens about a crisis or to empower the Victorian government to intervene to address the situation.

Hon. Bill Forwood interjected.

Hon. G. W. JENNINGS — The interjection of Mr Forwood referred to the parallel situation in South Australia. The sorry situation in the marketplace in South Australia is that a loss of load and electricity supplies is a common occurrence there. Unfortunately some citizens of South Australia have become quite used to that situation. Obviously that feature would be unsatisfactory for the Victorian government; it would be hardly bearable for the South Australian government. South Australians are patient and tolerant souls.

Hon. Bill Forwood — They got the same advice; they did something about it.

Hon. G. W. JENNINGS — We cannot run away from the fact that the power supply regime in South Australia has a sorry record of regular drop-outs in the system.

The important issue becomes: how effectively did the Victorian government intervene to ensure that vulnerable parties within the community were protected? The mechanism available to the Victorian government was to invoke the Electricity Industry Act, which I have already described as a blunt instrument. That essential services instrument meant that only by applying the act did the Victorian government have the capacity to intervene in the marketplace and to determine who would and would not be protected in the Victorian community, and then to apply restrictions.

After Victorian citizens were affected and disadvantaged on 3 February the government acted to apply restrictions under the Electricity Industry Act from the following day. That meant Victorian citizens and companies voluntarily reduced their demands on

the power system, which enabled the Victorian government to protect the interests of those considered vulnerable.

The consequence was that a number of industry spokespersons — people who, in effect, operate the futures market of the electricity industry — were stressed when the government felt the need to intervene in the marketplace. As any reasonable honourable member and any member of the community would quite rightly expect, the government intervened to protect the rights of Victorians. All Victorian citizens would expect that an ongoing legal framework would be in place to allow the government to continue to intervene — either through contractual arrangements, licensing or an ongoing regulatory framework — to ensure electricity supplies are available to Victorians. Those mechanisms are not in place and daily available to the government without invoking essential services legislation such as the Electricity Industry Act.

As I said, that action was taken on 4 February and the mediation process had been put in place to bring the industrial dispute to a resolution. In the following week the government invoked further sections of the act to direct Yallourn Energy to generate power and to direct workers to return to work. The first test of public interest in the exercise was to guarantee ongoing supplies. In some ways the legislative instrument available to the Victorian government to achieve the preferred outcome is a blunt instrument that does not have a regulatory framework or a legal and contractual framework; it could not be regarded as being amenable to day-to-day management by the government. Given the nature of the regime, the government was forced to intervene in a somewhat draconian fashion to direct companies and workers to generate electricity.

Those actions led to the consequences I have already outlined. Some elements of the marketplace reject the idea of intervention by government — they say the government should not have intervened. There is a degree of double standard on the issue. When in response to various questions in this house the minister outlined the sequence of events that led to the invoking of the Electricity Industry Act on 4 February, she was hauled over the coals for giving too lengthy an answer, even though she was providing details about the government's actions in imposing restrictions on electricity use to ensure that the power supply was restored to the Victorian community.

It is essential that we recognise that the government took the appropriate action to restore electricity to the people of Victoria. The government acted in accordance with the public interest tests that I have outlined. Its priorities included ensuring the ongoing supply of electricity, playing an honest and reasonable role that did not prejudice the outcomes of industrial relations issues and supporting and encouraging ongoing investment in the electricity industry in Victoria. The government achieved those objectives and guaranteed supply to Victorian citizens within a reasonably short time.

The perception the opposition is trying to convey is that the Victorian community is facing an ongoing crisis. Victorians clearly do not believe that. Never let it be said that I rely on the *Herald Sun* as a primary source for my contributions to debates in this house or that I am a person who panders to public opinion polling or responds to an agenda determined by that newspaper. However, the opinion poll published in the *Herald Sun* yesterday is clear about the ongoing perception of the Victorian community. It confirms that the Victorian community is not dumb and that Victorians are capable of making considered and responsible decisions, as they did in 1999, which led to the election of the Bracks Labor government.

Victorians can make their own assessment and will not be led by the nose. According to the *Herald Sun* poll, the community to which we are all responsible and accountable believes the blame for the dispute falls most heavily on the companies and the regulatory regime that was adopted by the former government. The community has a reasonable degree of confidence in the way the Bracks government in general and the minister in particular handled the restoration of the power supply.

As a consequence of the government's actions and the clear intent of the exercise, I totally reject the motion before the house.

Hon. C. A. STRONG (Higinbotham) — It has been interesting to listen to the debate. If you boil it all down and look at the facts, to which I intend to refer, you see that the government took an enormous risk. There is absolutely no doubt that the government knew there were problems — and I will provide the evidence to prove that. Members opposite took a risk, saying in effect, 'Let's hope things will be all right. Let's cross our fingers; let's see if we can wing our way through this'. They were given all the warnings they needed along the way, but they were prepared to cross their fingers and see whether they could wing it — and in that they failed.

When they failed, they simply overreacted and put in place unnecessary regulation. As the house has just heard, it was all about finding a scapegoat. Government

members took the risk and got into trouble. Now they are looking for scapegoats. They are blaming the generators, the industry structure, the federal government and the federal minister for industrial relations, Peter Reith — everybody but themselves — even though they have the ultimate responsibility to protect the citizens of Victoria. As I said, they winged it and they failed.

I will refer to some of the issues raised by previous speakers because misleading and incorrect statements need to be corrected for the record. I refer firstly to some issues raised by the minister, who tried in her scapegoating to blame everything on the structure of the industry. That is clearly false because the structure has delivered significant and measurable benefits to Victoria. That is backed up year after year by the Office of the Regulator-General, whose reports show that security of supply has increased, the price of electricity has dramatically fallen, debt has been paid off, and through the contestable market the risk to the state government has been significantly reduced.

For a comparison one need look only at Queensland, where taxpayers are paying more than $100 million for electricity trading that went wrong. The taxpayers of New South Wales are paying between $50 million and $100 million for electricity trading that went wrong. Taxpayers in those states are paying for the risk that this state's taxpayers have avoided because of Victoria's industry structure. The forthcoming regulatory reset will result in ongoing reductions of the order of 10 to 15 per cent, which is significant.

There will always be some sources that preferred the monolithic government organisation of the old SEC, and the minister quoted some of them. Her most outrageous quote was that from a Victorian Power Exchange (VPX) paper, which was totally unsourced as to date and context. As a result of all the research and the work of consultants the VPX had hundreds of papers, so to quote one sentence out of context is outrageous and surprisingly bad parliamentary practice.

I also point out that in the summer of 1997–98, when there was an indicated shortfall in peak demand, the previous government ensured that supply would be maintained by commissioning gas stand-by capacity. That demonstrates that there is the facility to act if need be.

Perhaps the most outrageous statement, which is made again and again, is that the contracts entered into by the previous government did not oblige the electricity companies to supply electricity. The minister must be deliberately trying to mislead the house and the public. The generators were sold with generation licences that have onerous conditions attached to them. The most onerous condition is step-in rights, which allow the government to step in and run the power station if it sees fit. To say that there is no obligation to generate in the contracts is absolute nonsense. It is more than misleading — the government is deliberately trying to fool the public. It is an attempt to sidestep the issue once again.

Mr Jennings said that in the Yallourn dispute the licensing powers were used by the government, so he must know the facts, yet in his opening remarks he said there were no obligations on the companies to supply. That is just a lie. Much was said about the various protocols established by Nemmco — an organisation that involves the three states — for the supply of electricity, and it was claimed that they did not work.

I will quote what Charlie Macauley, a key Nemmco executive, said in a press release of 11 February about the various roles of the parties:

> However, it is not Nemmco's role to decide on power restrictions. That is the responsibility of the participating state governments. Nemmco's role is to ensure the integrity of the national power grid and the security of power supplies for all consumers on the eastern seaboard.

Hon. D. G. Hadden — It failed.

Hon. C. A. STRONG — Nemmco did not fail. It ensured there was integrity of the system. It is the participating governments' responsibility to implement power restrictions, and this participating government in Victoria totally failed in its responsibility to do that.

If there is any other area where there are problems with protocols it is within the government, because there is no doubt that the government had ample warning and if there was any slip-up in protocols it was not between Nemmco and the government, it was within the government.

Hon. T. C. Theophanous — You still have a grudge against the old SEC because it did not promote you.

Hon. C. A. STRONG — On a point of order, Mr Deputy President, I find that remark offensive, not to mention untrue, and I would like the honourable member to withdraw it.

The DEPUTY PRESIDENT — Order! On the honourable member's request, I invite Mr Theophanous to withdraw the comment because it is offensive.

Hon. T. C. Theophanous — If the honourable member finds his time working with the SEC offensive, I will withdraw the remark.

Hon. C. A. STRONG — The issue of protocols therefore rests clearly within the government's ambit, not within Nemmco. The government was made aware by Nemmco of what was going on.

I turn to how the system works. Having listened to Mr Jennings run through an explanation of how the system works I can only say no wonder the government has a problem. Mr Jennings made statements such as, 'Nemmco on-sells electricity to the states'. Nemmco does not on-sell electricity to the states. He said Vencorp made the decision on which areas had power withdrawn. That is incorrect. The honourable member does not know what he is talking about. No wonder there is a problem, if he gets up and tries to explain how the system works when he does not know how it works.

I will explain some of the fundamental principles. The greatest demand for electricity supply across the three states of Victoria, New South Wales and South Australia occurs during the summer period. That has been the situation for the past 10 years, and it is demand in the summer period on which the whole system is sized.

What does that mean for Victoria? It means the system is sized to meet that summer demand with some reserve capacity. What happened recently? Approximately 20 per cent of the total supply of electricity in Victoria, the supply from the Yallourn power station, was taken out because of industrial action. Is there any surprise that that sounded alarm signals in Nemmco? As honourable members have heard during the debate, Nemmco provided ample warning to the government of the fact that there was a potential problem during the summer peak demand period with 20 per cent of capacity off-line.

What did the government do when it was given those signals? It tried to find a scapegoat and ignore the signals because, in light of its union links, it did not want to highlight the fact that Victoria's electricity supply was endangered by industrial action. The government tried to blame everybody else. The government washed its hands of the situation and said it was Peter Reith's problem, the industry's problem and the Yallourn power station's problem. It was everybody else's problem.

The reality is that at the time of peak demand approximately 20 per cent of capacity was out of the system because of industrial relations issues. Surely that is a cause of concern and should have sounded the alarm bells for the government.

I will deal with the process employed by Nemmco under the three-state protocols signed off by all the states to enable them to maintain supply. A series of notices goes out on a regular basis to explain the supply–demand situation and whether there is any risk. There are two basic responses when there is a mismatch of supply and demand. If it is a major problem, such as a major piece of plant or equipment going out, and there is a major difference in supply or demand then Nemmco, under the protocol, is able to cut off power at the terminal station level. Nemmco can black out whole sections of the state automatically from its control centre to stop a total failure and falling over of the system.

The next level down is that Nemmco can get in touch with various distributors across the three states and ask them to withdraw supply at what is called the feeder level, which is a slightly lower level. It has been able to work almost at a suburban level rather than a regional level. That is what happened on the day of the crisis — supply was withdrawn at the feeder level on a rotating basis.

Withdrawing supply at the feeder level is totally indiscriminate. A suburb is totally blacked out, regardless of what is happening in that suburb — regardless of whether traffic lights that are not operating will cause traffic congestion, whether people on life-support systems will be affected and whether there are hospitals in the area. All systems are taken out because a suburb is blacked out as distinct from the application of restrictions which are able to be directed at less important infrastructure.

Clearly the imposition of restrictions is the way to cause minimal impact simply because restrictions can be structured so that people and infrastructure that would be adversely affected can be excluded — hospitals, traffic lights, city lifts and the like — otherwise people could be trapped in lifts.

If there is a situation of supply and demand mismatch, the sensible thing to do is to invoke the lowest level of restrictions possible. That is the safest way to deal with the situation and is better than blacking out suburbs on a random basis. The fact remains that for Nemmco to fulfil its fundamental objective, which is to maintain the integrity of the system, without restrictions it had to black out areas otherwise a major system failure might have resulted, and that would have been catastrophic.

Let us now consider the warnings from Nemmco and the government's response to those warnings. Nemmco put out three levels of warning on reserve capacity: lack of reserve level 1, or LOR1; lack of reserve level 2, or LOR2; and lack of reserve level 3, or LOR3, lack of reserve level 3 being the most critical. I will give a few examples of the Nemmco notices issued in the period leading up to the day of the crisis, 3 February. Any sensible, normal person receiving such notices would have known a problem was in the wind, simply because it was a very hot summer period and some 20 per cent of reserve capacity was out of commission because of a strike.

The Nemmco notices were coming out all the time. On 1 February at 4 o'clock in the afternoon the government was notified of a problem. At 4.33 p.m. the level of warning was upgraded again. Some 15 minutes later the problem was again upgraded. The market notice states:

> Thursday 03 February 2000
>
> From 1130 to 1800 hrs inclusive
>
> The maximum deficiency is estimated to be 558 MW …

This notice was issued on 1 February, and the crisis took place on 3 February. So two days beforehand the government was notified that a potential danger was looming. A government could say, 'It is only a potential danger. Let's hold our nerve, cross our fingers and try to wing it through and maybe the situation will not eventuate'. The notices continued. On 2 February at 4.41 a.m. another notice was issued alerting the government to the problem. Some 10 minutes after that another notice was issued, alerting the government that there would be a lack of supply problem on that date. I should be careful how I quote these times because Nemmco quotes time based on a 24-hour clock.

At 9.30 on the morning of 2 February a further notice was issued, highlighting the fact that there would be a problem. Depending on what is happening in the system and as demand grows, the notices were coming out at between 15-minute and 30-minute intervals, sounding the bell again and again and warning that there was a problem. There are scores of such market notices.

I will flick through to a couple that are closer to the event. On 2 February at 4.39 p.m. a notice was issued advising that there would be a lack of reserve from 1700 hours that day. Some time later a notice was issued advising that the situation had improved slightly.

The information was flowing through all the time. One suspects but never knows that the government was watching all this, crossing its fingers and saying, 'Let's see if we can wing it through because if we cannot wing it through we have to fess up to the fact that an industrial relations problem is causing all this pain'.

On 2 February at 2047 hours — that is in the evening of the day before the blackouts — a notice was issued saying that conditions would be worse on the next day from 1100 hours through to 2030 hours. Another notice was issued on the night before the restrictions began, again highlighting the problem. At 2110 hours and 2119 hours more notices were issued, again highlighting the problem. On the morning of the blackouts, 3 February, the first notice came out at 8.13 a.m. saying that there would be an interruption of supply between 12 noon and 6.30 in the evening of that day. Another notice was issued 5 minutes later on that Wednesday morning saying that supply problems, rather than extending from 12 noon to 6.30 p.m., would be more likely to extend from 10.30 in the morning until 10.30 at night.

The final notice, the key one of which the state did not need notice, came out at 1.16 p.m. on 3 February, stating that load shedding was taking place. What did the government do? As I have outlined, for at least two days notice after notice was issued, warning the government of the hazardous position. The government should have known it was in a hazardous position as it was the peak of summer and 20 per cent of reserve capacity was out of commission because of industrial disputation.

Again and again the notices poured out saying there would be a problem. What did the government do? It sat there and hoped it would skim through it. It may well have skimmed through it if there had not been a breakdown at Loy Yang power station for a couple of hours. The government put at risk Victorian taxpayers — for example, those stuck in lifts in the city and those on life-support systems — and affected crucial infrastructure such as hospitals and traffic lights. The government knowingly took a risk because it did not want to highlight that an industrial relations problem had caused the situation. When the crisis took place, the government blamed everybody but itself.

In my opinion the worst aspect of the situation is not the negligence of the government in trying to wing it through that period. I turn to a chart that plots the maximum demand over that crucial period of 2 February to 10 February. The chart was supplied by Nemmco. It shows that on 2 February — the day before the blackouts — the maximum demand was about 7300 megawatts, and that on 3 February — when the blackout took place — the maximum demand was only about 100 megawatts more. That was enough to trip it

over because of the problems at Loy Yang. The chart shows that on 4 February, when the restrictions came into place, the maximum demand was about 6800 megawatts, well below what the system could achieve.

The chart also shows the demand for the rest of the following week of the restrictions: the maximum demand on 7 February was about 5800 megawatts, the maximum demand on 8 February was about 6500 megawatts, on 9 February it was about 6300 megawatts and on 10 February it was about 7000 megawatts. Throughout the following week when restrictions were in place, the maximum demand never got near the level it reached on 2 February when no restrictions were in place. Consequently Victorian businesses and citizens had to go through four days of restrictions totally unnecessarily because the government panicked. It tried to wing it but it all fell apart. The government then lost its nerve, panicked and put into place unnecessary restrictions. For the subsequent four days supply and demand was never as high as it was on 2 February, before the restrictions, so the restrictions were totally unnecessary.

As all honourable members would know, according to estimates the power crisis and restrictions cost Victoria somewhere between $30 million and $45 million. That is the penalty the government imposed, simply by panicking. The government tried to wing it but panicked and tripped up. The greatest mistake of the government was to panic and put the restrictions into place. They were totally unnecessary and caused four days of inconvenience to businesses and people across the state.

From all the facts I have absolutely no doubt that the Minister for Energy and Resources cannot say she did not know what was going on. It is true there was a problem with communications and protocols, but that problem was not between Nemmco and the government; it was somewhere in the minister's office. That is where the responsibility and blame lie. There is no doubt that the citizens of Victoria have been caused unnecessary financial and emotional damage by the electricity crisis and restrictions.

Hon. E. C. CARBINES (Geelong) — I am pleased to contribute to the motion before the house. I note with interest that the opposition's motion includes the words 'incompetence' and 'mismanagement', because they are two words that spring to the minds of Geelong residents when they think about electricity supplied to them by the privatised company, Powercor. Powercor's record with electricity supply in Geelong is abysmal. Since the privatisation of electricity by the former Kennett government blackouts have become the norm.

In support of my claim I will refer to some newspaper articles. Under the heading 'Power cuts demand inquiry', the editorial at page 6 of the *Geelong Advertiser* of Wednesday, 19 January, states, in part:

> Pole fires were virtually unheard of prior to the former Kennett government's privatisation of the state's electricity grid. These days, they are a regular, irksome and unresolved part of life that undermines business and inconveniences households …
>
> More than 20 000 customers were affected by the latest Powercor blackout, when 13 pole fires hit the Geelong region on Sunday. Estimates of the damage have run into hundreds of thousands of dollars and for many hours customers were unable to receive information about the blackout from Powercor.
>
> The situation is deplorable. Warnings were rife about electricity services being cut under privatisation.

Furthermore, during the summer extensive blackouts occurred at Geelong, which affected just about every Geelong electricity consumer. For the information of the house I will refer to some headlines which appeared in the *Geelong Advertiser* over summer. The front page of the 27 December issue contains the heading 'Power pole fires leave thousands of homes without electricity'. The front page of the 19 January issue is headed 'More Power Pain'. The subheading is 'In the dark: Ocean Grove latest casualty of blackouts'. The 27 January front page carries the heading 'Blackout plague continues as more homes hit'. The 29 January front page carries the heading 'Power cut hits 16 000'. The subheading is 'In the dark: some patrons give up and walk out on pubs, clubs'. The front page of 29 January carries the heading 'Blackout shuts chicken shop'. The articles under the headings to which I have referred illustrate the unreliability of the power supply since the Kennett government privatised electricity.

Hon. Bill Forwood — You're an idiot.

Hon. E. C. CARBINES — On a point of order, Mr Deputy President, I take exception to the Honourable Bill Forwood's calling me an idiot. I ask him to withdraw his remark.

The DEPUTY PRESIDENT — Order! The honourable member finds the comments offensive. I ask Mr Forwood to withdraw.

Hon. Bill Forwood — I withdraw.

Hon. E. C. CARBINES — Thank you, Mr Deputy President. Since the start of summer the Geelong region has incurred dozens of blackouts that have invariably

been due to pole fires. Each incident has affected tens of thousands of domestic consumers and hundreds of businesses and industries. The president of the Geelong Chamber of Commerce, Mr Peter Landers, has expressed serious concern about the reliability of the privatised electricity supply. An article in the *Geelong Advertiser* of 18 January under the headline 'Blackouts prove costly' reports Mr Landers as saying that:

> … the issue of mass power blackouts was concerning.
>
> 'The business community are entitled to expect that there is a minimum level of service from utility suppliers,' Mr Landers said.
>
> He said that if the power failures were a result of a reduced level of maintenance, the business community had a right to be upset.

The City of Greater Geelong has also expressed its concern about the unreliability of the privatised power supply in Geelong. It is of the view that the unreliability of the supply is seriously undermining its campaign to attract more residents and businesses to the city under its Smart Move campaign.

Highton, where I live, has been one of the areas worst affected since the privatisation of the Geelong power supply. On a Friday late in January at about 5.00 p.m. I took my children to the Safeway store at the Waurn Ponds shopping centre. The store was in darkness. Yet again there had been a pole fire and the supply of power to the Geelong area had been cut. Fortunately Safeway had a backup generator with which it was managing to keep the cash registers running and trying to keep the fridges operating.

Customers in the delicatessen section asked how long the electricity supply had been off. They were concerned whether they should purchase goods. People were reluctant to purchase meat because the meat freezers had been off for some time. My butcher, Town and Country Meats, was in complete darkness. It could not operate its cash register or its electronic scales, and its freezer had no electricity supply. What was it going to do with its meat? My house has been affected many times by blackouts, as have thousands of other homes in Geelong. People in Geelong are used to throwing away food because the electricity supply has failed. They know they cannot count on their power supply. Even my electorate office was without power during January. What is Powercor's response to the many inquiries it receives? Powercor says it has 20 000 poles in Geelong with wooden crossarms that are susceptible to pole fires. Powercor refuses to actively maintain the system by washing down the poles, as the former State Electricity Commission used to do. The company does not think that would help, but over time it has a plan to replace the 20 000 poles. That will be a long process and I have a feeling the people of Geelong will have to suffer through many a long, hot summer before their power supply is more efficient.

Regardless of the spin the Powercor public relations department puts on its service in Geelong it is a monumental mess. The editorial in the *Geelong Advertiser* of 29 January this year headed 'Power failures' states:

> Regardless of the concerns raised by the community, Powercor has failed to improve electricity supply to the Geelong region. Blackouts, brownouts, power surges and pole fires are no longer unusual events but, rather, the norm.
>
> What might have been viewed predominantly as a domestic concern, a problem for householders more than anyone else, is rapidly evolving into a major concern for business and industry.
>
> This is evidenced in the repeated fiascos of the past fortnight coupled with Geelong Chamber of Commerce president Peter Landers's concern that the chronic blackouts are having a significant effect on certain businesses. And in city hall's admission that the blackouts could undermine Geelong's prospects for new investment.

In response to repeated inquiries to my office, I asked Powercor to attend a meeting in my office. The honourable members for Geelong and Geelong North in the other place and I met with Powercor executives in my office. We strongly voiced our concerns about the unreliability of the electricity supply in Geelong and we wanted to know what they would do about it. They identified two areas in the Geelong region that were hot spots. One was the Waurn Ponds area which serves Highton, Grovedale, Belmont and down to Torquay, where I live, and the other was the Drysdale area which serves Ocean Grove and out to Portarlington. Although we are more than halfway through the summer period, they said they would do something about those hot spots. Geelong has not suffered any blackouts this week, but has suffered some brownouts. The *Geelong Advertiser* of 14 March has a front-page article entitled 'Power fault serves up brownouts to 2500 households'. The article refers to Peter Norley of Highton and states:

> 'I've still got power, but it's not 240 volts,' Mr Norley said.
>
> 'My radio is going, my clocks are going, the airconditioning is running at half speed and the ceiling fan is hardly turning. The answering machine is going haywire. The place has gone mad. It's crazy.'

In the privatised world of electricity supply customers come last. How does Powercor respond? People who are concerned about blackouts ring Powercor only to get a recorded message providing certain information. In February I was informed by an elderly constituent who is living in a Belmont block of units with 16 other

elderly people that they had a fire in their electricity supply box. She rang Powercor at 5.00 a.m. and all she got was a recorded message. Powercor does not provide services until 8.30 a.m., so these distressed elderly people had to wait.

Powercor, once owned by Pacificorp, has now been sold to Scottish Power, but Scottish Power does not want this power utility and it is being put on the market again. Who will want to buy an unmitigated mess such as Powercor? Not only is the service unreliable, but in the new privatised world of power supply, Powercor has floated the idea of a surcharge on Geelong consumers to compensate it for its loss of profits during the brownouts and blackouts. What an absolute joke!

I am more than happy to talk about incompetence and mismanagement in electricity supply. The opposition deserves the condemnation of the house for its role in the privatisation of Victoria's electricity supply.

Hon. G. R. CRAIGE (Central Highlands) — I support the motion because in doing so the house and the public will learn about the issues that arose during the electricity crisis, particularly the incompetence and mismanagement of the Labor government.

The opposition has heard nothing at all from the government that would give anybody any confidence that it is handling the administration of the state effectively. I thought I would address the issue of incompetence and the significant impact the electricity crisis has had not only on the lives of Victorians in whatever capacity they are living, but also on businesses and manufacturing enterprises in this state. It is estimated that at least $100 million of business went down the gurgler due to the mismanagement of the state government in not notifying people of the pending crisis. The electricity crisis affected large and small businesses alike. It affected jobs and Victoria's national and international reputation.

The real question in this issue is: where were the two ministers who should have been at the forefront of this issue? Where was the Minister for Energy and Resources? Was she on a three-week holiday? I am sure she had lights and airconditioning and could listen to Andrea Bocelli on her CD. The minister was not seen once during the entire dispute. Even her mate, Brian Boyd, said in January that in November he indicated there would be an electricity crisis. Many people clearly saw that a crisis was pending, yet in January and February we heard nothing from the Minister for Energy and Resources and nothing from the Minister for Industrial Relations. They were not seen. They were not seen because they are so incompetent that they are continually hiding under rocks on a day-to-day basis. They are afraid to lead the state on important issues.

They are not my words! It will be clear to those honourable members who read widely that that has been the ongoing attitude of the Minister for Energy and Resources. The minister gets a guernsey in the book *The Victory*, by Pamela Williams. The book outlines that she was the assistant secretary to Gary Gray during the dying days of the Keating regime. She was in the campaign bunker listening through walls; she heard what was going on but was clearly out of her depth. The book talks about Paul Keating being referred to as Captain Wacky. The Minister for Energy and Resources is the Victorian Labor government's Captain Wacky. She is totally ineffective and totally out of her depth.

Both the Minister for Industrial Relations and the Minister for Energy and Resources are lead in the government's saddle. They are a burden on the people of Victoria, who deserve better leadership from members of the Crown — but they have not had it!

When one reads the transcripts of the media interviews at the time, none is more striking than the interview of 8 February, when Neil Mitchell talked to the Premier of Victoria on 3AW about the electricity crisis. One can only draw one's own conclusions about some of the statements made in that interview. I can only suppose that the Minister for Industrial Relations has been so busy moving offices and decorating her new offices that she has not been able to attend to her responsibilities. I do not know what the Minister for Energy and Resources has been doing. Perhaps she has been moving offices as well. Perhaps she has been on a long holiday — or perhaps she is just not capable of doing the job. The word out there is that she is a hopeless case — ineffective and inefficient!

On page 19 of the transcript of interview of 8 February, Neil Mitchell said:

> Your minister, Monica Gould, has been very roundly criticised for her lack of action, or her role in this. Has she learnt from it as well?

The Premier replied:

> Well, I think some of that criticism is unfair …

Does that mean some of it is fair? That criticism is coming not from the opposition but from the Premier himself! The Honourable Gavin Jennings apologised to the people of Victoria for the inconvenience they suffered. Not so the minister, who is hiding under a rock again, as she continually does! She does not have

the spine for the job; the sooner she gets out of it the better off Victoria will be. That she is allowed to hold her position is an indictment of the government.

All the minister did was blame the Kennett government for everything, including the creation of the national grid. That is all she could come up with. How thin are those arguments! There has been a crisis of management in Victoria, and the two ministers who should have been at the forefront were not there. During the radio interview the Premier went on to say this about the Minister for Industrial Relations, whom we should perhaps call the Minister for Moving Relations because she has had more moves than a Swiss watch and is likely to have a few more:

> She has been out there with me in the last two days …

Where was she before that? She was nowhere to be seen, and in that respect she was no different from the Minister for Energy and Resources. They were conspicuous by their absence. They were out of their depth, and the electricity dispute and resultant crisis in Victoria illustrated their inability to handle their portfolios.

House divided on motion:

Ayes, 28

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

Noes, 14

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

Motion agreed to.

Sitting suspended 1.03 p.m. until 2.02 p.m.

QUESTIONS WITHOUT NOTICE

ALP: fundraising dinner

Hon. BILL FORWOOD (Templestowe) — I direct my question to the Minister for Energy and Resources. On 1 March I asked the minister during the adjournment debate who paid for her chief of staff to attend the $1000-per-head Australian Labor Party fundraising dinner last year. Her response invited me to ask Ms McLeod directly. Accordingly, I wrote to her the next day, 2 March. Given the Westminster convention that ministers are responsible for the activities of both their departments and staff, will the minister respond on Ms McLeod's behalf or instruct her to reply to my letter?

Hon. C. C. BROAD (Minister for Energy and Resources) — I can understand it must be galling for the party that purports to represent business to have business in the state demonstrating publicly its preparedness to support democracy by publicly being prepared to fund the three political parties.

The Labor Party will continue to hold such fundraisers. It is perfectly appropriate for ministers and their advisers when called upon to attend such functions where funds are being paid by business to the Labor Party, not to ministers or their advisers.

World Consumer Rights Day

Hon. R. F. SMITH (Chelsea) — Will the Minister for Consumer Affairs inform the house what action her department is taking to highlight the importance of consumer rights on World Consumer Rights Day?

Hon. M. R. THOMSON (Minister for Consumer Affairs) — Today is World Consumer Rights Day, the 38th year since the introduction of the first consumer rights bill in the United States of America Congress by then President John F. Kennedy.

Today I launched the new edition of *Get a Life* magazine for young school leavers, an important magazine that outlines in the language young people understand issues such as how to read, how to purchase a car, relationships, tertiary education and much more information relevant to young people that sets them on a path to an independent life knowing their rights and obligations so that they can get on with life.

World Consumer Rights Day commemorates the recognition by the United Nations of eight basic consumer rights: the right to satisfaction of basic needs; the right to safety; the right to be informed; the right to choose; the right to be heard; the right to redress; the

right to consumer education; and the right to a healthy environment.

As Minister for Consumer Affairs my department will ensure we reach a wide audience so people are aware of their rights and obligations as consumers. I am pleased to have launched *Get a Life* and look forward to producing a result in consumer affairs where more Victorians know more about their rights and obligations.

Snowy River

Hon. P. R. HALL (Gippsland) — I direct my question to the Minister for Energy and Resources. Is it a fact that the New South Wales government has identified potential water savings of only half of that required to meet its share of returning a 28 per cent flow to the Snowy River? If so, how does the minister propose to honour the government's election commitment to return 28 per cent environmental flows to the Snowy River?

Hon. C. C. BROAD (Minister for Energy and Resources) — That is not correct. I am continuing to negotiate with the New South Wales government on the matter. I regret that I had to cancel a meeting this morning as a result of the notice of motion moved by the opposition.

Honourable members interjecting.

The PRESIDENT — Order! A question has been asked and the minister is attempting to respond. I ask the house to let her respond.

Hon. C. C. BROAD — I hope to have a meeting with federal minister Minchin and New South Wales minister Della Bosca to further progress these matters, in addition to the recent meeting with the South Australian minister for water, which was productive. The Victorian government is committed to continuing to pursue its stated election commitment about environmental flows for the Snowy River.

Sport: older Victorians

Hon. E. C. CARBINES (Geelong) — Will the Minister for Sport and Recreation inform the house what action the government is taking to increase sporting participation rates among older Victorians?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am pleased to announce that the government will provide an additional $110 000 over five years for older adult recreation networks. The grant is a recognition of the good work already done by organisations, including the 11 in regional Victoria. The grant will allow the program to be expanded into metropolitan Melbourne. I have previously told the house about the Getting Better with Age program. The key aim in the initiatives is to boost participation rates and options for Victoria's older population. The networks will focus on facilitating options that are user friendly and bridge participation levels for older Victorians.

My announcement follows comments made in my inaugural speech in this place — I hope honourable members remember it — when I outlined objectives including participation in sports at grassroots level. The initiative is part of a significant financial commitment the government will make to increasing grassroots level participation in sports.

Electricity: Yallourn dispute

Hon. PHILIP DAVIS (Gippsland) — Yesterday I asked the Minister for Energy and Resources about correspondence from Yallourn Energy dated 11 November and 29 December last. In her response the minister said:

> … I do not have the correspondence in front of me. I will check on that.

She further answered:

> As to checking on dates, it is a simple matter to do so.

Will the minister today advise whether she checked on the correspondence referred to yesterday and, if so, what was the outcome of the check?

Hon. C. C. BROAD (Minister for Energy and Resources) — I can confirm that there was correspondence from the company on those dates to the Premier, which was copied to me. If that is the information required, I can confirm those dates.

Fishing: border anomalies

Hon. D. G. HADDEN (Ballarat) — Will the Minister for Energy and Resources inform the house what action the government has taken to address cross-border anomalies regarding the management of recreational fishing in lakes Hume and Mulwala?

Hon. C. C. BROAD (Minister for Energy and Resources) — I am pleased to inform the house that earlier this year I met with my New South Wales colleague, the fisheries minister, Eddie Obeid. At that meeting we reached in-principle agreement to resolve the cross-border anomalies relating to fisheries

management arrangements, regulations and licensing arrangements for lakes Hume and Mulwala on the Murray River.

Lakes Hume and Mulwala are important recreational fishing areas for Victorian and New South Wales anglers. The waters of both lakes overlap state borders. That means the potential exists for inconsistencies in regulations. That has led to prosecutions and a large amount of intergovernmental correspondence, which has been productive.

It makes sense for Victoria and New South Wales to coordinate management activities across the lakes, which is what we are committed to doing. New South Wales and Victorian fisheries officers meet regularly to work through the alignment of rules and regulations where possible. Implementation dates for changes will be subject to legislative processes in both parliaments. As well as establishing effective management practices the proposed new arrangements will be in the best interests of anglers and communities who recreate in those areas.

It has been possible to reach in-principle agreement as a result of the cooperation between my New South Wales colleague and my office, notwithstanding the internal machinations of the Labor Party referred to earlier. That is in stark contrast to the current hostilities within the Liberal Party and the incapacity of the former government to make any progress on the issue.

Minister for Industrial Relations: offices

Hon. D. McL. DAVIS (East Yarra) — Will the Minister for Industrial Relations confirm to the house that the office she is shortly to vacate at 1 Macarthur Street and which she moved into only a few months ago cost about $80 000 to renovate?

Hon. M. M. GOULD (Minister for Industrial Relations) — The costs associated with the establishment of my private office were minimal, unlike the former Premier's expenditure of $9 million on his office.

Sport: rural Victoria

Hon. JENNY MIKAKOS (Jika Jika) — Will the Minister for Sport and Recreation inform the house what action the government is taking to support regional sports in Victoria?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am pleased to announce a critical boost in participation by Victorians in sport and recreation. The regional sports assemblies assist in the coordination and staging of sport in regions, of which there are now 10 in rural and one in north-western metropolitan regions.

Today I am pleased to announce that the government will provide $350 000 over the next four years to the regional sports assemblies, of which $50 000 will go to boost the existing regional sports assemblies in rural Victoria and to deliver immediate benefits to them. The remaining $300 000 will be used to expand the rural sports assemblies into Melbourne's northern, eastern and south-eastern areas. The assemblies will work with grassroots sporting clubs, schools and community groups. The objective is to promote a wider range and a better quality of participation opportunities.

Heineken golf tournament

Hon. I. J. COVER (Geelong) — I refer the Minister for Sport and Recreation to the recent announcement that the Heineken golf tournament will be played in Melbourne from 2002 — and the opposition supports the staging of the event in Melbourne. In the interests of open and accountable government and in view of the fact that the *Age* has reported that the government contributed funds to have the event move to Victoria, will the minister advise the house what financial incentive was offered to the promoters to attract the event to Melbourne?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — The Heineken golf tournament is a prestigious and significant event because it is sanctioned by the Australasian and Professional Golf Association (PGA) tours. Consequently, the event will attract significant interest from high-profile international golfers and reinforces Melbourne as a city of major events. I do not have the figures to hand, but I will bring them to the house. The responsibility for having the event here rests with the Minister for Major Projects and Tourism in the other place. I will bring those figures to the house.

Industrial relations: reform

Hon. KAYE DARVENIZA (Melbourne West) — I direct my question to the Minister for Industrial Relations. What is the government's response to reports that the federal workplace relations minister, Peter Reith, is considering the overhaul of Australia's industrial relations regime using the commonwealth's corporations powers?

Hon. M. M. GOULD (Minister for Industrial Relations) — Reith the Wrecker is at it again! Mr Reith has stated that he is considering the use of the

corporations power as a new basis for a substantial change to industrial relations regulation in Australia. The Victorian government is gravely concerned about the direction of Mr Reith's proposal.

For nearly a century the constitution's conciliation and arbitration power has underpinned the federal industrial relations system. That constitutional power has been well considered by courts over many years and has provided a sound basis for the development of a fair national system of industrial relations. However, the current federal government has consistently sought to narrow and restrict the legislative application of that power.

Honourable members interjecting.

The PRESIDENT — Order! I invite both sides of the house to keep quiet while the minister is responding.

Hon. M. M. GOULD — Among other things, it has substantially reduced the power of the industrial relations umpire by reducing and restricting the capacity of the Australian Industrial Relations Commission — —

Hon. P. A. Katsambanis — On a point of order, Mr President, question time — and in particular, the government's use of dorothy dixers — should be confined to matters of state government business. The question invites the minister to speculate about the possible motives of a federal minister in an area that is clearly in the jurisdiction of the federal government. It is obvious that the Australian Industrial Relations Commission and federal industrial relations laws come within the purview of the federal government, not the state government. I call on you to order the minister to answer by responding to matters that relate to state government business.

The PRESIDENT — Order! Although responsibility for industrial relations has been formally handed over to the federal government, Victoria has a minister responsible for that area, so it is appropriate for her to respond to questions about it. However, I remind the house of the ruling I made just before Christmas about ministers slavishly reading answers. It is up to the ministers as to how they handle it, but one only has confidence in a minister's control of a portfolio when one takes into account his or her ability to extemporise. I made the point that when a minister slavishly reads an answer one is entitled to question his or her knowledge of the portfolio. I also made the point that ministers have read answers in the past. I do not uphold the point of order in the sense that the minister clearly has an interrelated responsibility for industrial relations, together with the federal minister.

Hon. M. M. GOULD — As I said, among other things Mr Reith has substantially reduced the powers of the industrial relations umpire and restricted the capacity of the Industrial Relations Commission to create comprehensive awards. He has reduced the general award power to only 20 allowable matters. Mr Reith's aim is to further restrict the development of a fair and equitable system by the second-wave legislation, which was rejected by a Senate committee in December last year.

Against that background of failure and the wrecking of industrial relations, he now turns to the corporations power to underpin the third wave of industrial changes. The corporations power could be used to further downgrade the role of the Australian Industrial Relations Commission. The federal government will be able to legislate minimum terms and conditions of employment at will, rather than their having to be assessed by the independent umpire of the commission.

There is no certainty that the existing terms and conditions will be maintained. For evidence of that, we need only look at the five minimum legislated conditions that exist in Victoria as a result of the previous government referring industrial relations to the federal system. Victoria has strongly advocated to Mr Reith its belief that we need a comprehensive award system with an independent industrial tribunal to provide an appropriate base on which we can move forward to develop a cooperative and fair industrial relations system.

The Victorian government calls on Mr Reith to tread carefully in considering any further reduction of the powers of the commission — —

Hon. B. N. Atkinson — On a point of order, Mr President, I would have thought that this qualifies as a ministerial statement rather than an answer. The minister took no account of what you said about reading her answer. She is continuing in a vein which I put to the Chair is the presentation of a ministerial statement.

The PRESIDENT — Order! This is not a matter on which I can rule. The minister has the opportunity of making a ministerial statement, and given the nature of what she has said, she should perhaps consider using that form, which has not been used much at all in this house in recent times. I do not uphold the point of

order. The minister is entitled to answer in this way, but there may be a more appropriate form.

Ordered that answer be considered next day on motion of Hon. B. N. ATKINSON (Koonung).

QUESTIONS ON NOTICE

Answers

Hon. C. C. BROAD (Minister for Energy and Resources) — I have received answers to the following questions on notice: nos 188 and 196.

Hon. A. P. OLEXANDER (Silvan) — In respect of standing order 71AA, I thank the Minister for Energy and Resources for her response, but quite clearly part (b) of the question has not been answered. I asked about funding that would be applied to biological control not only in the 1999–2000 financial year but also in the 2002–03 financial year. The minister made no reference in her answer to that funding, and I ask her to pursue that issue with the Minister for Environment and Conservation and come back with an answer.

Hon. C. C. BROAD (Minister for Energy and Resources) — If it is appropriate I will refer the question to the responsible minister in the other place.

MELBOURNE CITY LINK (AMENDMENT) BILL

Second reading

Hon. C. C. BROAD (Minister for Energy and Resources) — I move:

That this bill be now read a second time.

The former government bound the state to contracts that enable Transurban and its associated companies to collect tolls from the users of the City Link and the Exhibition Street extension. This government will honour those contracts. The government will also enforce those contracts and the law in the interests of motorists and the general public.

The government's election platform contained a number of commitments designed to protect City Link users, including the imposition of fines on toll company abuses. This bill implements those commitments. The amendments are designed to strike a better balance between the rights of toll road companies and the rights of the users of toll roads.

In his address to Transurban's annual general meeting on 23 November, Transurban's chairman stated that Transurban is comfortable with the government's intention to 'rigorously enforce privacy obligations and the accuracy of billing'.

A fundamental difference between the position of City Link customers and most other consumers is that record-keeping errors on the part of City Link operators could result in unwarranted prosecution as a toll evader. Under the Melbourne City Link Act users of City Link must register their vehicles with Transurban for tolling purposes. Driving on City Link without such registration is treated as toll evasion. Transurban has the power to report alleged evaders to the police Traffic Camera Office, which can issue an infringement notice penalty of $100 at Transurban's request. These provisions were intended to protect Transurban against loss of revenue through toll evasion.

In the government's view it is just as important that City Link users be protected from billing errors and from unwarranted allegations of toll evasion and penalties.

The act as passed in 1995 enabled prosecution of Transurban for failure to keep proper tolling records, with a maximum fine of $10 000. The bill will strengthen the existing legislation by spelling out these record-keeping requirements. Specifically, Transurban must keep accurate records of tolling registrations and exemptions so that it can be determined, with certainty, whether or not evasion has occurred.

The bill will also enable infringement notices to be issued against toll companies in respect of three classes of toll administration offences. These offences are unauthorised use or disclosure of private tolling information, failure to keep accurate tolling records and preventing authorised inspections of relevant records.

Currently, the only enforcement option available is prosecution in open court, with a maximum fine of $10 000. That option is retained and will be the appropriate choice in some circumstances. The bill will enable police officers and authorised enforcement officers to issue an infringement notice carrying a penalty of $2000. Of course, not every error will result in an infringement notice being issued. Enforcement action would only be taken on the independent discretion of a properly trained person. But where enforcement action is considered appropriate in the circumstances, infringement notices provide a more efficient alternative to prosecution in open court.

The bill also facilitates the introduction of cheaper tolls for country and occasional users of City Link. Currently, tolling registration entitles use of the entire City Link, and day passes are priced accordingly. The amendments will enable Transurban to limit registration to particular parts of the City Link.

The government considers that these amendments are consistent with the existing arrangements between Transurban and the state. The intention is to strengthen and clarify these arrangements.

I commend the bill to the house.

Debate adjourned on motion of Hon. G. B. ASHMAN (Koonung).

Debate adjourned until next day.

DOMESTIC BUILDING CONTRACTS (AMENDMENT) BILL

Second reading

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

That this bill be now read a second time.

The bill before the house seeks to deal with the effects of the introduction of the goods and services tax on domestic building contracts that are entered into before the introduction of GST on 1 July 2000, under which work will or may be performed after that date.

The bill deals with some technical and timing issues that arise due to features of the Domestic Building Contracts Act 1995 and the commencement of GST on 1 July 2000.

The bill provides assurance that consumers can have certainty in relation to contracts spanning the introduction of GST; and builders can be confident that these contracts are consistent with legal requirements and therefore enforceable.

The work performed under these contracts after 1 July 2000 will attract GST. Although builders have the primary responsibility to pay GST, they will want to recover it from building owners, consistent with the principles underpinning the GST legislation. Similarly, building owners need to be provided with certainty as to their rights under domestic building contracts.

At the time of entering into these contracts, the amount of GST payable cannot be ascertained, which has had unforeseen repercussions for the Domestic Building Contracts Act 1995. First, GST-recovery clauses in these contracts would, under the Domestic Building Contracts Act 1995, either be cost escalation clauses or price variation clauses. These clauses are unenforceable unless they have been the subject of approval processes by the Director of Fair Trading. Their use may also make the builder liable to prosecution.

Second, the use of GST-recovery clauses, even approved clauses, may cause these contracts to become ‘cost-plus contracts’ under the Domestic Building Contracts Act 1995, because, at the time of entering into the contract, the amount the builder is to receive cannot be determined. Unless the act allows, ‘cost-plus contracts’ are unenforceable and the builder may be prosecuted by the Director of Fair Trading.

The Director of Fair Trading has approved clauses and notices to allow the recovery of GST in domestic building contracts. Regulations have been made providing that the use of these approved clauses and notices will not make the whole contract unenforceable as a cost-plus contract. These amendments will cover contracts made before the regulations and will also ensure that the whole contract is not unenforceable, even though the individual GST-recovery clauses may be.

The measures taken to deal with the effects of the introduction of GST on domestic building contracts are aimed at:

protecting consumers, by ensuring that builders use the approved GST-recovery clauses and warning notices, which inform consumers of their rights and of the possible effect of the GST-recovery clauses on the contract price, before they enter into their contracts;

protecting domestic builders by enabling them to recover GST without jeopardising their contracts. Many domestic builders are small businesses and not in a position to absorb GST.

I commend the bill to the house.

Debate adjourned on motion of Hon. BILL FORWOOD (Templestowe).

Debate adjourned until next day.

COURTS AND TRIBUNALS LEGISLATION (AMENDMENT) BILL

Second reading

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

That this bill be now read a second time.

The purposes of this bill are to:

repeal certain provisions of the Sentencing Act 1991 giving the Court of Appeal a discretion to order that up to three months of time spent in custody pending the determination of an application for leave to appeal against sentence not be reckoned as time served; and

provide that the employment-related expenses of judges, masters and magistrates are paid from the consolidated fund;

give the Judicial Remuneration Tribunal jurisdiction over acting magistrates;

allow members of the Victorian Civil and Administrative Tribunal (VCAT) to be appointed to higher office for the balance of their term of appointment.

Repeal of amendments to section 18 of the Sentencing Act 1991

Section 18 of the Sentencing Act 1991 allows a court to recognise the period of time an offender has been held in custody prior to sentence and enables this prior jail time to be taken into account in determining the sentence.

In 1998 the previous government amended this section to give the Court of Appeal a discretion to order that up to three months of time spent in custody pending the determination of an unsuccessful application for leave to appeal against sentence not be reckoned as time served. The power could be exercised whenever the court was satisfied that the application for leave to appeal was frivolous, vexatious or brought without there being any reasonably arguable grounds.

Not surprisingly, this change caused considerable controversy when the legal profession and general public became aware of it. The provision erodes fundamental appeal rights by exposing appellants to the risk of extra time in prison for opting for a review of their sentence. There is potential for unfairness towards unrepresented appellants, who may not have had the benefit of legal advice about the merits of their appeal.

By its very nature, the power also only applies where an appellant is in jail, and therefore discriminates against prisoners who lodge appeals, because no equivalent discretion arises where the convicted person has received a non-custodial sentence.

This government remains of the view that the power is controversial and impossible to justify. Appeal rights are fundamental to our system of justice and are part of the checks and balances which ensure that the system operates fairly. The danger that appellants with good grounds for appeal will be dissuaded from appealing because of the threat of extra jail time cannot be discounted and should not be tolerated.

Accordingly, clause 8 of the bill repeals the previous government's amendments to section 18 of the Sentencing Act 1991.

Employment-related expenses of judges, masters and magistrates

The impartial administration of justice is fundamental to the rule of law in a democratic society. Impartiality requires the judicial arm of government to be independent of the legislative and executive arms of government. This independence preserves the separateness and integrity of the judiciary and provides a guarantee against unwarranted intrusion by the legislature and the executive.

To be independent, judges need certain guarantees regarding their conditions of service. One of these guarantees is that they receive secure and adequate remuneration. An important and longstanding constitutional convention related to this guarantee is that judges' salaries are paid from the consolidated fund rather than from departmental budgets. This convention was introduced by the Act of Settlement in 1701 and has been observed in Victoria for well over 150 years. At present salaries and pensions of all Victorian judges are paid from the consolidated fund.

The bill extends this ancient constitutional principle to provide that the employment-related expenses of judges and masters of the Supreme and County courts and of magistrates are also paid from the consolidated fund. By so doing, the bill enhances judicial independence.

Employment-related expenses include such things as payroll tax, Workcover, fringe benefits tax and, in the case of magistrates, employer superannuation contributions. Expenses of this type are integral to modern employment practice, but could never have been envisaged either by the English Parliament 300 years ago or by the founders of responsible government in this state.

Remuneration of acting magistrates

The bill amends the Judicial Remuneration Tribunal Act 1995 to give the Judicial Remuneration Tribunal jurisdiction to inquire into and report to the Attorney-General on the question of whether any adjustments are desirable in the salary of acting magistrates. The tribunal was established to ensure that the salary and allowances of judicial officers are determined at arm's length from government.

Acting magistrates are required to act impartially in the same way as other judicial officers. It follows that they should have their salary determined in the same way.

Internal promotion of VCAT members

The bill will allow the Governor in Council on the recommendation of the president of VCAT to appoint current VCAT members and senior members to higher office for the balance of their term. At present any changes in a member's appointment requires a further five-year term. This arrangement will provide VCAT with greater administrative flexibility, as well as providing an opportunity to recognise superior performance among VCAT members.

I commend the bill to the house.

Debate adjourned on motion of Hon. C. A. FURLETTI (Templestowe).

Debate adjourned until next day.

HIRE-PURCHASE (AMENDMENT) BILL

Second reading

Debate resumed from 1 March; motion of Hon. M. R. THOMSON (Minister for Consumer Affairs).

Hon. B. W. BISHOP (North Western) — I am pleased this afternoon to make some brief comments on the Hire-Purchase (Amendment) Bill. I note that the preceding Hire-Purchase (Further Amendment) Act allowed the court to vary and cancel hire-purchase agreements, particularly related to farm equipment, if those arrangements were considered to be harsh or unconscionable.

It has been well known since the legislation was enacted that the savings it provided would expire on 1 April 2000. The amending act of some two years ago retained the application of sections 24 and 25 to hire-purchase agreements for farm machinery entered into within a two-year period. The savings provisions were considered appropriate, particularly in relation to hire-purchase agreements relating to farm machinery, and took into account the erratic nature of farming businesses. It was the intention that during the two-year period a review would be conducted to find the appropriate level for statutory protection of farmer finance, which is a fine balancing act.

During that period — on 1 July 1998 — the commonwealth inserted section 51AC into the Trade Practices Act. From my reading of the section I believe it covers most of the farm machinery area in respect of hire-purchase agreements. It clearly prohibits unconscionable conduct through business transactions between farmers and any financiers of the farm machinery purchasing system. It also contains wide criteria for assessing unconscionable activities. Furthermore, it gives the courts wide powers to compensate against financiers who are not right up to the mark in their dealings with farmers. Although I believe the section is excellent, I agree it needs to be tested in the courts. I suspect that would need to be done at not only one time or place but over a period encompassing separate incidents, and obviously that would take some time. As all honourable members know, the courts take a while to work through such issues. Therefore the proposal for the retention of the sections 24 and 25 savings provisions to enable section 51AC of the commonwealth Trade Practices Act to be fully tested is excellent.

Without being negative I will paint a background picture in support of the legislation remaining on the statute book. Firstly, I make it clear that I am not adopting a scatter-gun approach of being critical of all financiers across the board. Although most financial houses now are extremely good — they have good information and they manage their risks well — one never knows; there might be one bad apple in the barrel. Like any business today the farming business is tough. It might be a bit tougher than others because of the heightened risks due to the erratic nature of commodity prices, the seasons and the weather. It can be too hot, too cold, too dry or too wet. Vagaries of the weather can influence agriculture and make it erratic, in turn affecting the revenue gained from it.

During the past few years the terms of trade have moved strongly against agriculture for many reasons, one of which is well known. I spent a fair part of my earlier representative life in agropolitics. The subsidisation of overseas markets has a strong impact on Australian growers, regardless of the commodity involved. Being a relatively small country in population terms — not size — Australia relies heavily on export markets.

Australian farmers are good at what they do — they are highly efficient — but they are unsubsidised in comparison to their export competitors. The sheer nature of the business, with the high level of export trade and the fact that that affects the pricing of commodities on the domestic scene, makes it difficult for farmers. It has often been thought that Australia should join the subsidisation race. However, that would be difficult for Australia because of its small population. Competing in subsidisation against other exporters such as the European Community, the United States of America and perhaps to a lesser degree Canada and others would be like trying to stop Niagara Falls.

Margins have become really tight. At risk of giving a history lesson on how that has occurred, I will outline my experience. I started farming in the mid-1950s when I came home to a small father-and-son farm. As occurs in a number of father-and-son businesses, it is sometimes difficult to move in one direction when expanding such a farm.

Hon. R. A. Best — Is that the case now, with your son on the farm?

Hon. B. W. BISHOP — No, it is not the case now. My son runs the farm. I have been away from the farm for so long that a board meeting is held to inform me of the broad issues. I am satisfied with that, but it was different back in those years. For a while I parted company with the farm and worked as a rigger on building sites to get some money together. I then bought some farm machinery and share farmed. The difference between those days and nowadays is striking. In the 1950s, 1960s and 1970s margins were extremely good, particularly in the late 1950s and early 1960s, terms of trade were excellent, machinery was relatively cheaply priced when compared to today's prices, and the prices of the products we grew were high compared with today's commodity prices.

In those earlier times the business was expanding and land was reasonably priced in relation to how much money could be made, so it was possible to expand. It was not too hard to make a dollar, and anyone who was prepared to work and take a bit of a risk could build up a farm. That continued throughout the late 1950s and the 1960s. Obviously there were a few bumpy years, but the margins were such that you could manage to get through. The situation was even reasonable during the 1970s, although the pressure from the corruption in the international market started to bite on returns in grain and other areas. It was a really tough run in the 1980s; there were a number of bad years.

I will now narrow my focus and revert to talking more about broadacre and grain farming.

In 1982 Victorian suffered its worst drought on record. It grew only a small quantity of wheat, something like 300 000 tonnes, whereas the following year it grew approximately 5.5 million tonnes. In 1982 wheat was brought from Western Australia to enable farmers to carry out their feeding processes. Farmers had a good year in the mid-1980s, but further hard years followed with low commodity prices.

I am sure all honourable members, particularly those involved in businesses, will remember the high interest rates of the 1980s. They were prohibitive for farmers trying to operate farming businesses and made it particularly difficult for them to climb out of their difficulties. In the 1990s there were some patchy years with low commodity prices, particularly in the grain growing areas in the Mallee, and to a lesser extent in the Wimmera, although crops in that area were also damaged by frost some years ago. Mr Stoney would agree with me when I say that it is disheartening to see a wonderful crop that is ready to be harvested struck down by frost during the flowering period.

Hon. E. G. Stoney — You have another year to go.

Hon. B. W. BISHOP — Yes. In the Wimmera and in parts of the Mallee grain growers suffered frost damage as well as having to put up with low commodity prices. Those issues created exceptional circumstances in the Mallee, and many farmers are still struggling as a result of what happened in that period.

A committee formed by the Victorian Farmers Federation and chaired by a friend of mine, Ian Hastings, from Ouyen, has worked well with departmental officers, with the former Kennett government and with this government in trying to effect a more practical application of declarations of exceptional circumstances. A line is drawn that must be adhered to, but people outside the line are often just as affected as those inside it. A lot of work is needed to ensure that the declaration of exceptional circumstances is applied in a practical way to the circumstances in which farmers often find themselves.

I seem to be reciting a bad news story, but it is not all that bad. Last year a large part of the grain-growing area experienced a reasonable season. Communities in Manangatang and Ouyen had a bad year following the previous three or four bad years. It has been difficult for people in those areas and everything possible is being done to ensure they receive assistance. A farmer is always optimistic or he or she would not be a farmer.

The good news is that interest rates are at their lowest level for a considerable time. Because of the tough times in agriculture during the 1980s and 1990s equipment has become run down. I will focus on the grain industry to ensure my message is clear.

Margins have been so thin and returns so low that many farmers have not upgraded equipment. They have maintained their machines as well as they have been able, but many have 20-year-old machines that are near the end of their economic lives. It is important in the broad grain-growing areas for equipment to be of top standard. In debate yesterday I said that when a farmer sells his property often three or four of his neighbours will buy a portion of the farm. Consequently farms have grown larger as farming families have left the land. Where my son is situated in the Mallee, a farm of 640 acres or a square mile was about the right size from which to make a living. Now, unless a farm is five or six times that size it is almost uneconomic. As a rule of thumb a farm five times that size is needed to be an economic unit. Of course, some have less land than that, but they are excellent farmers and have survived quite well.

In any case, farming equipment must be in good condition because it runs at full bore during the busy times. It has an economic lifespan, and as is the case with all businesses, it is not possible to survive without adequate equipment. Offices have computers, as do most farms these days. Farmers need good equipment to get a crop in and get it off the property. Farmers must manage as well as they can the risk of their particular operations. Farming is all about managing the risk. There is a huge investment in land and machinery, so it is a high-risk business. Normally there are two pressure points in grain growing. The first is when the crop is sown, which is normally in May or June. If sufficient rain falls at the appropriate time it is necessary to get the crop in as quickly as possible. The equipment is expensive and technical and normally runs 24 hours a day.

The second important time is harvesting. It is often a more difficult period because it can be extremely hot during the October, November and December period when farmers are working for their once-a-year pay cheque. Farmers make sure everything is in order and that the equipment is up to standard because grain growers have only one shot a year to work for a pay cheque, and that is at harvest time. If the equipment is not up to standard, breakdowns can occur. Generally harvesting equipment involves self-propelled headers, trucks and field bins. If one link in the chain breaks down the process stops and the crop can be exposed to the vagaries of the weather. A rain storm can take 25 per cent or even more off the price of the crop.

It is difficult to quote prices accurately, but a new self-propelled header can be purchased from between $200 000 and $400 000, with the average price being $300 000. That one piece of equipment may work flat chat for four or five weeks a year. Farmers now use contractors to pick up the extra crop they need to harvest in good years, but generally most have their own harvesting equipment and use the contractors to do only extra work. The next most expensive piece of equipment is the tractor. Most are four-wheel-drive articulated tractors to enable farmers to handle large areas, but there are also two-wheel drive tractors.

On our farm my son is currently going through the process of purchasing a new tractor. The tractor we have is nearly 19 years old and has reached the end of its economic life. I recall purchasing it for approximately $75 000 when I managed the farm; however, to replace it now would cost $250 000 or $260 000. That is the sort of money a farmer has to spend on a tractor to maintain the efficiency of an average-size farm.

Hon. E. G. Stoney — Has it got a fridge?

Hon. B. W. BISHOP — No, it does not have a fridge, Mr Stoney. The standard closed-cabin tractor now has airconditioning because without it the heat that would build up inside the cabin would be unbearable. That sort of tractor could not be driven for any more than an hour without airconditioning. There is no doubt that today's tractors are very comfortable, but if farmers have to drive them for long hours, they need the airconditioning. I do not begrudge farmers that comfort when they are trying to put their crops in or doing whatever else is necessary on their farms.

Pricing, risk management, the need to get the job done properly and all the other issues that arise create a sort of pincer pressure. On the one hand farmers pay high costs and operate on thin margins, which create great risks, and on the other they need to get the job done quickly and efficiently to reduce the risks. I have learnt from talking to farmers and from experience with our farm that hire-purchase is now an everyday occurrence, whereas it generally was not back in the 1950s and 1960s — and it certainly was not in the 1980s, with interest rates the way they were.

Farmers are managing their risks, their borrowings and other financial issues despite being in some tight spots. Given the pincer movement pressure they are experiencing and the volatile nature of agriculture,

some farmers can get caught out if they enter into not-so-good deals — even though they enter into those deals in an effort to achieve high efficiency, manage their risk and survive as farmers. They need protection, particularly during volatile seasons. Any of the resources that farmers managed to carry through from the better seasons during the 1960s and 1970s were soon soaked up during the tough times in the 1980s and 1990s. It is essential to protect farmers who get caught up in the pincer movement I have described as they strive for extra efficiency.

The financial advice available to farmers today is excellent. Most now go out of their way to obtain advice from farm consultants, accountants, bank managers or financiers, or they might obtain their advice from a combination of all of them. Advice is also available from the Department of Natural Resources and Environment. Farmers are able to gather up all the available information, calculate the risks and work out how to manage them. However, every now and then farmers get caught and are forced to grab quick deals. They only have to experience a couple of tough years to be in trouble.

Most of the financial institutions involved in agriculture are credible organisations with excellent reputations. They have been around for a long time and understand both the risks that farmers run and those that they run as financiers. However, farmers need all the protection that we as legislators can provide.

The bill is practical and sensible. The period for the retention of the savings provision, which at the time was thought to be sufficient, has to be extended to enable section 51AC, which was inserted in the commonwealth Trade Practices Act, to be tested in the courts. The operation of that section also needs testing in the real world. It is an excellent idea to retain the savings provisions in the bill until they can be fully tested in the courts.

Hon. D. G. HADDEN (Ballarat) — I support the Hire-Purchase (Amendment) Bill, which amends subsection 4B of section 1 of the Hire-Purchase Act 1959 by extending the application of sections 24 and 25 of that act to hire-purchase agreements pertaining to farm machinery and equipment.

Section 24 of the Hire-Purchase Act allows courts to vary or cancel hire-purchase agreements for farm machinery that are considered to be harsh and unconscionable. Section 25 of the Hire-Purchase Act allows courts to grant a moratorium period of 12 months on the repossession of farm machinery to enable farmers to remedy any breaches. It also protects their farm businesses, which are subject to irregular incomes and, as we have just heard from the Honourable Barry Bishop, are subject to the climate, the seasons, pests and the other vicissitudes of farming and agricultural life.

Hon. Bill Forwood — That is a good word!

Hon. D. G. HADDEN — I thought you would like that. Most of the Hire-Purchase Act was repealed in 1998 by the Hire-Purchase (Further Amendment) Act of 1997, except for sections 24 and 25, which were retained for two years — and that provision expires on 1 April. The intent of the provision was to enable a general review of the appropriate statutory protection of farm finance at the national level.

That review has not taken place. Section 51AC of the Trade Practices Act, which pertains to unconscionable conduct in commercial transactions, came into operation in 1998. Clause 3 proposes to extend the period covering hire-purchase agreements on farm machinery to three and a half years. The purpose behind that is to enable a review of section 51AC of the Trade Practices Act. There are currently three cases before the Federal Court under section 51AC that may take some years to complete. One case is due to go to trial in the second half of this year, but then there are the appeal processes that either party can avail itself of, which could extend the time frame. That is why the three and a half years savings period is required. It is important to note that sections 24 and 25 of the act will continue to protect farming finance in the interim.

Support for the amendment comes from the Consumer Credit Legal Service, the Financial and Consumer Rights Council and the Victorian Farmers Federation. The Australian Finance Conference opposes the extension on the basis that the provisions are not used by farmers. One counter argument is that if those two sections are not being used by farmers there is no harm in extending the savings period in order to see the result of the test cases on section 51AC of the Trade Practices Act. Farm machinery is expensive and if it is repossessed farmers have no capacity to earn an income to meet the debt.

The definition of farm machinery in the Hire-Purchase Act covers a harvester, binder, tractor, plough, other agricultural implement or motor truck with no monetary limit. Thousands of dollars worth of equipment are at stake. It is on that basis that the extension of the savings period under sections 24 and 25 should be extended. I commend the bill to the house.

Hon. M. T. LUCKINS (Waverley) — The opposition does not oppose the Hire-Purchase (Amendment) Bill, which extends the operation of sections 24 and 25 of the Hire-Purchase Act until 1 July 2003. In 1997 the Kennett government amended the Hire-Purchase Act by accepting the recommendations made by the Scrutiny of Acts and Regulations Committee's redundant legislation subcommittee, which I had the honour of chairing from 1996. An inquiry was held into the Hire-Purchase Act to ascertain the relevance of the act to current farming finance practices.

By way of background, the former Minister for Fair Trading, Jan Wade, referred the act to the redundant legislation subcommittee following a request from the Australian Finance Conference (AFC). The Honourable Dianne Hadden suggested that the AFC advised the government of its opposition to the bill on the basis that that form of finance is not used by farmers. In 1995 the AFC submitted that the Hire-Purchase Act was not relevant in a deregulated financial industry. The subcommittee received 38 submissions in answer to an advertisement about an inquiry into the act. The committee considered as terms of reference whether the act should be repealed, whether some provisions of it should be saved or transferred to another act, whether transactions in question were not protected under any other legislation or regulation and how best to maintain the protections and rights to preserve them in the future.

The submissions received in 1996 included 13 from the financial sector and credit providers, 7 from the legal profession, 5 from major consumer finance consultants and 2 from the insurance industry. In addition, the subcommittee received responses from the Victorian Employers Chamber of Commerce and Industry (VECCI), the Victorian Farmers Federation (VFF) and the Equipment Lessors Association.

The subcommittee held a public hearing on 27 August 1996 at which a number of groups appeared, including the VFF. Appearances were also made by representatives from the Australian Finance Conference, the RTV Consultancy, the Australian Bankers Association, a number of solicitors' firms, the Consumer Credit Legal Service, the Consumer Law Centre, the Consumer and Finance and Counselling Association, the Banking Finance and Consumer Committee of the Law Council of Australia and others that operated consultancies in the area. Diverse views were put to the subcommittee, which considered the implications of repealing or retaining parts of the Hire-Purchase Act.

Three main sources of finance are available for farmers. The first is hire-purchase. The second is chattel mortgage, which is a contract for the sale of goods between a dealer and a customer with finance provided usually by a third party. That form of finance does not incur stamp duty and has advantages to farmers and to those who accept finance under those conditions. The other main avenue of finance for farmers and small businesses is the leasing of goods, vehicles, plant and equipment. That is an increasingly popular form of financing because the lessees can take advantage of tax deductions when the goods are used for earning taxable income.

Evidence was presented that questioned the rationale of maintaining statutory regulations for only one of the three main forms of finance available to farmers, the other two being chattel mortgage and leasing, which are not regulated under legislation or regulation. It was put that it was inconsistent to have only one form of finance regulated in that way. Other aspects of the provisions of the act and how they operated included capping under the Hire-Purchase Act of 8 per cent interest which in times of low interest disadvantaged farmers because they may be paying more for the hire-purchase in interest costs than if they received bank loans for chattel mortgages. The committee found that most farmers had not entered into hire-purchase over the past 10 to 20 years.

At the public hearing the VFF representatives supplied figures showing that hire-purchase debt accounted for approximately 3.6 per cent of total farm debt — that is not the percentage of farmers in debt but the percentage of farm debt in total. The subcommittee questioned why one would maintain regulation on 3.6 per cent of total farm debt while allowing 96.4 per cent of the borrowing transactions to be unregulated.

The subcommittee took into account all the views put to it, and in its report tabled in Parliament in late 1997 found that the act was rigid, overprescriptive and inappropriate as a means of regulating business finance. It found that capping of interest rates at 8 per cent was inconsistent with modern practice. The subcommittee also heard evidence that alarmed it. In particular it heard that national companies were going interstate to carry out financial transactions to avoid the Hire-Purchase Act provisions. Currently Victoria is the only state with provisions covering hire-purchase.

The subcommittee identified two areas where repeal of the Hire-Purchase Act would result in a loss of protection. Firstly, section 24 of the act allows courts to vary or cancel hire-purchase agreements for farm machinery that are considered to be harsh and

unconscionable. Section 25 of the act allows courts to grant a 12-month moratorium on the repossession of farm machinery. That is a sensible provision, which allows farmers to have the opportunity to trade out of debt. Obviously they cannot do so if the goods and equipment to run their farms have been repossessed. The subcommittee recommended to the government in a report tabled in this place that those two provisions relating to farmers be retained until 1 April this year.

The government accepted the recommendation to have a two-year sunset provision in amendments to the Hire-Purchase Act made in 1997 to allow for further consideration by the federal government and/or state governments in all areas, including ministers for agriculture and fair trading, to ensure adequate protection was available in future so farmers would not be disadvantaged.

It is important to remember that even though hire-purchase agreements may not be particularly popular now, many of them are still in operation even though they may have been entered into years ago. Farmers are still bound by the agreements signed. The Kennett government considered a two-year sunset clause to be appropriate. I recall that during debate in this house the former government said that if two years proved to be insufficient, it would return to the house with legislation to provide for a further extension, if deemed necessary.

I can only assume the bill was prepared while the Kennett government was in office. It certainly follows the recommendations put to the government by the Scrutiny of Acts and Regulations Committee's redundant legislation subcommittee, which, as I said, I had the honour of chairing from 1996. In the meantime, since the act was last amended in 1997, the commonwealth inserted new section 51AC into the Trades Practices Act, and it came into operation on 1 July 1998. That provision prohibits unconscionable conduct in business transactions and sets wide criteria for assessing unconscionability. The courts have wide powers to compensate traders and farmers. That new provision in the commonwealth legislation will take over from the provision in the Hire-Purchase Act. The Trades Practices Act will have jurisdiction over transactions in Victoria.

The government suggests we should allow the new provision in the Trade Practices Act some time to operate to ensure that if it is challenged in the courts, the intention in the amendment to the Trades Practices Act will be made clear and the intent of the act will be maintained to protect farmers and ensure they are not disadvantaged in any way by the amendments to the Hire-Purchase Act. The opposition has no problem with the bill. I commend it to the house.

Hon. S. M. NGUYEN (Melbourne West) — I am delighted to speak on the Hire-Purchase (Amendment) Bill. I am pleased that all parties support this small but important bill. Parts of the principal act have been repealed and the bill extends the life of two sections of the act. The aim of the bill is to assist farmers in their hire-purchase arrangements for farm machinery.

The Bracks Labor government has shown its care for country Victoria. It knows how important it is for farmers that the bill pass. It provides farmers with the opportunity to negotiate with contractors for the purchase of machinery. Sections 24 and 25 of the Hire-Purchase Act protect farmers, especially those whose incomes are not regular but whose payments for the hire of equipment are regular, thereby causing difficulties, particularly for small farmers without large amounts of capital.

Farmers are an important part of Australia's, and particularly Victoria's, agricultural industries. The government must assist farmers to expand their businesses, which will lead to increases in farm productivity and increased exports to Australia's overseas markets in the Asia–Pacific region.

Section 24 of the principal act enables the court to reopen and rectify hire-purchase contracts on farm machinery that are deemed unconscionable. It would apply if the contract were determined to be unfair, or if farmers were restricted or did not understand an agreement. It gives farmers more flexibility.

Section 24 refers to certain hire-purchase transactions. Section 24(1) states:

> In any proceedings under this act or arising out of a hire-purchase agreement or instituted pursuant to subsection 4 of this section where it appears to the court that the transaction is harsh and unconscionable or is otherwise such that a Court of Equity would give relief the court may re-open the transaction and take an account between the parties hereto.

Section 2(1) of the principal act defines farm machinery as:

> (a) a harvester, binder, tractor, plough or other agricultural implement;
>
> (b) a motor truck used for the purposes of a farming undertaking or any other business involving the cultivation of the soil, the gathering of crops or the rearing of livestock.

Section 24(2) of the Hire-Purchase Act states:

> The court re-opening any transaction under this section may, notwithstanding any statement or settlement of accounts or any agreement purporting to close previous dealings and create a new obligation —
>
> (a) re-open any account already taken between the parties;
>
> (b) relieve the hirer and any guarantor from payment of any sum in excess of such sum in respect of the cash price terms charges and other charges as the court adjudges to be fairly and reasonably payable;
>
> (c) set aside either wholly or in part or revise or alter any agreement made or security given in connexion with the transaction;
>
> (d) give judgment for any party for such amount as having regard to the relief (if any) which the court thinks fit to grant is justly due to that party under the agreement; and
>
> (e) if it thinks fit give judgment against any party for delivery of the goods if they are in his possession.

The act has four parts. The first provides that if any business buys a tractor or truck or other agricultural implement as part of a hire-purchase agreement under which the hirer is a farmer and the goods are repossessed by reason of a breach of the agreement relating to the payment of instalments, the farmer may, within 21 days of repossession, apply to the court for an order that the goods repossessed should be restored to the farmer.

The act provides that:

> … 'farmer' means any person engaged in agriculture, pasturage, horticulture, viticulture, apiculture, poultry farming, dairy farming or any other business consisting of the cultivation of soil, the gathering in of crops or the rearing of livestock.

The bill will provide important help to farmers. After listening to other speakers it is obvious to me not only that modern farm equipment is expensive but that farmers need to buy a lot of equipment to keep their businesses going, especially given the high level of new technology that is currently being introduced. Many farmers in Victoria need considerable support to expand their businesses.

It may be that section 51AC of the Trade Practices Act is a suitable substitute for the provisions of the act to which I have referred. Section 51AC prohibits unconscionable conduct in business transactions and would encompass the credit dealings between farmers and financiers regarding farm machinery. The aim is to provide better protection for farmers who are hiring their farm machinery.

The bill has the support of the Victorian Farmers Federation, the Consumer Credit Legal Service and the Financial and Consumer Rights Council. It would be dangerous to allow the current provisions to lapse on 1 April without there being an adequate replacement, especially as it is difficult to assess the extent of the deterrent effect of the provisions, in particular section 25. It might be that the financiers will not repossess farm machinery but allow farmers more time to repay, and under section 25 farmers can apply for a 12-month moratorium. I strongly support the bill.

Hon. R. H. BOWDEN (South Eastern) — Although the Hire-Purchase (Amendment) Bill is not large it is important. It will provide benefits right across Victoria for people who work in a crucial part of our economy — that is, those involved in the production of a variety of agricultural products in rural areas.

One of the nice things about the bill is that it is relevant to many farming activities and agricultural pursuits, which differ depending on their location in the state. In the north-west, grain is grown and broadacre farming is undertaken. In the south-east, in the beautiful province I have the privilege of representing, there are dairy farmers and those who grow vegetables or run substantial orchards. All the producers involved in those farming activities will benefit from the bill.

I highlight my enthusiasm for the bill because the farming sector is vital not only in maintaining the financial performance and economic indices of our state but also because it is an important part of our psyche — that is, in defining what it is to be a Victorian and an Australian.

It has often been said that although most Australians live in urban or suburban environments there is a little bit of the country in most of us. Those of us who have had the privilege of spending time in the country will agree with that fine sentiment. A valuable community trait that is also an important aspect of our character is that even though we may live in the most urbanised situation, such as downtown Melbourne or the heart of a regional city, we still understand, appreciate and relate to the circumstances of fellow members of the community in other parts of the state, especially in rural areas.

On looking back on my late teens and early 20s, when I spent considerable time with my family in the country, it seems to me that most summers I was driving either a truck or tractor and helping to lug wheat. I remember vividly the long days out in the fields with our broad hats on. It was well before the start of the slip, slop, slap campaign, but we wore our broad hats because it was hot in the sun, the temperature often being at least 40° C. I can relate to the idea of having the right equipment to do the work. In those days, farms were

mechanised: the harvesters and combines had come along and the wheat was bagged and trucked up through the various transport mechanisms and trailers. We worked long and hard during the harvest.

However, the equipment did not just appear. The tractors, combines, harvesters and other machinery needed for broadacre farming, which I had a lot do to with, required considerable investment by families — and therefore, of course, considerable risk. In the 1960s and 1970s farming was in the main a more profitable and less speculative occupation than it is today. However, even in those times I can clearly remember family members discussing in considerable detail and taking great care over the financial planning required to purchase essential equipment, whether it was a new harvester, tractor or truck. At that time they were major investments for my relatives.

One can talk about essential operations, sophisticated manufacturing terms and integrated manufacturing systems, yet if one looks at a farming enterprise one sees exactly the same things. If you are heading, harvesting and gathering wheat, then putting it into bags to be transported in trucks, each of those separate and crucial activities requires the right, efficient equipment.

I will not give a speech about the mechanics of harvesting wheat. I make the point that historically in Australia such enterprises have been family businesses, and the ability to acquire and accumulate the correct equipment is directly related to the degree of risk taken and the courage of rural and regional families on the land. In most instances farms are operated as family enterprises.

One of the key financial avenues for acquiring the proper equipment has been hire-purchase. The act goes back to 1959 and there have been subsequent amendments. The cost of buying equipment is quite different from what it was in 1959, but I assure the house that the need to invest is just the same, just as real and just as important for the welfare of individual farming families who today have to make the same sorts of decisions as families made decades ago.

The contribution of farming to the wealth of the state and the enhancement of our economy can never be overstated. It is important for the community at large to understand the sacrifices and risks taken by rural families. It is one thing to be able to produce a product; it is another thing to have the technical knowledge or expertise. In the mix of knowledge, expertise and resources one always finds the need for capital.

As I look back over some decades of my family background and various branches of my family, I note that we have been and still are on the land, but the acquisition of necessary production equipment has been and remains a serious matter. Thankfully today, using innovations such as the Internet, modern farmers have access to good economic and technological information. Access to meteorological data has developed a much greater understanding of the need to schedule and plan and the need to husband resources to produce a crop of good quality.

The production of good quality crops has always been important, be it in orcharding or broadacre grains. Today quality is more crucial than ever before because the returns are much smaller than they have ever been. As the returns have decreased the need for quality has become more vital, so the use of suitable, efficient and reliable equipment has never been more important than it is today.

It is interesting to compare the types of equipment used in farming. I live in Somerville on the Mornington Peninsula, and the land I live on was an orchard some 20 years ago. In that area it was usual for the orchardist to have what we all know as a little grey Fergie — a grey Ferguson tractor. Typically the tractors were 25 horsepower and were petrol driven. Everyone knew and loved the Fergie, and hundreds of them are still to be found on the peninsula.

Today my tractor is a 41-horsepower 1962 International. It is not flash, but it does the job. I make the point that in the 1950s, when the orchards on the Mornington Peninsula were producing huge quantities of apples, the prime mover for getting the produce from the trees and down to the appropriate storage shed was the 25-horsepower tractor.

By the 1960s it became necessary to use bigger tractors, and my diesel tractor with almost twice the horsepower of the Fergie is typical of what was used at that time. You might say, ‘That’s interesting, but I don’t like apples and I don’t go to the Mornington Peninsula’. However, my point is that as time progresses and technology advances the need for family capital investment becomes more important.

If one looks at the statistics on farming in general one sees that some years are better than others. It is widely conceded that farming is not a high-profit enterprise, whether you are an orchardist or growing vegetables or producing wheat, corn or some other crop. If you look at the records or ask your peers in the community generally, in the main you find that most people say that farming is not usually financially rewarding. There

are other rewards, such as a fine, healthy and energetic lifestyle. It is a lifestyle supported by members on both sides of the house. There is freedom to enjoy fresh air and to get close to nature, which is something we all value and enjoy.

Underpinning that lifestyle and the ability of a community to produce farm products of the sort I have mentioned is the need for capital. In days gone by farmers were very cautious, and although their incomes were small by today's standards and the margins not huge they were reasonably good and as a percentage on turnover generally better than today. However, the true farm income over decades has not been great.

In the 1950s the innovation of hire-purchase was introduced. In the cities hire-purchase was used to buy lawnmowers or television sets, but what many city people do not know is that for many it became an acceptable avenue through which to buy much larger dollar-value items — or at that time in the 1950s, pound-value — such as tractors, ploughs or other pieces of essential farming machinery.

Up until the 1940s and 1950s the mentality of the farming communities was that of the cash economy. I do not mean that in a negative way. If a farmer could not pay cash for an item, he or she would not buy it. Many farmers and farming families over the generations, at least until the 1950s, needed to be frugal. They needed to be aware that there were not many avenues to obtain the finance necessary to purchase crucial new equipment. Indeed, the horse was obsolete!

Then along came a mechanism that was accepted and respected under the commonwealth taxation regime and that allowed the hire-purchase scheme to become an extremely widespread tool for the advancement of rural communities. The proper use of hire-purchase schemes for the acquisition of productive farm machinery was one of the best uses of that scheme.

Victorians know from experience that, while we think the weather is predictable, it is not. Some years are better than others — some years are bountiful and others are a complete disaster. Australia is not blessed with the equivalent of a Mississippi River. Australia is not blessed with the snowfalls of the north-east and mid-west of the United States, which produce the water necessary for their crops.

Australia is a dry continent. Australians know that we live in a harsh environment. Therefore, to ensure Australia remains the efficient producer of farming produce that it is, technology must be used. Risk taking has to be encouraged. Farming families need to be sustained and encouraged. Australian society does that through the tax laws, among other means, making sure avenues of finance for farm equipment are readily available.

In that context I can think of no more valuable contribution to farming and rural communities and to producers of a wide variety of agricultural products than the advent of hire-purchase. I have no connection whatsoever with the hire-purchase industry. I am just recognising that hire-purchase schemes are a financial tool that has helped an enormous number of families.

Regrettably, from time to time it is in the nature of our continent to experience unpredictable weather. All Australians would have seen that during their lives. Australia has droughts and microclimatic variations that no-one would want to have to deal with. It is almost impossible to plan for such unhelpful seasonal variations.

It is a sad fact of human nature that at times individuals can behave unconscionably. Some members of the community have taken unfair advantage of others. Unfortunately in many rural communities there have been instances of unconscionable conduct on the part of companies providing hire-purchase contracts to farming customers.

The commonwealth Trade Practices Act 1974 is an interesting milestone in the conduct of commerce in this country. For the first time it established clear guidelines on what can and cannot be done. It brought about a culture change. The Trade Practices Act 1974 was a good base upon which to base subsequent amendments, bring into play a far more acceptable financial community profile and prevent the operations of a small number of companies that were taking unacceptable advantage of growers. Honourable members would be familiar with amendments that have been made to the appropriate legislation.

I would like to talk a little about the dairy industry in the South Eastern Province. As honourable members know, the South Eastern Province is represented in the Assembly by the four seats of Dromana, Mornington, Cranbourne and Gippsland West. It is characteristic of the province that most dairy activity is in the seat of Gippsland West. In Korumburra, Lang Lang, the back of Wonthaggi, Drouin, Kooyong and the rest of that general area there is a great deal of milk production. While milk is considered a dairy product, the producers of milk are still called dairy farmers. That wonderful term encapsulates the commitment to and family nature

of the enterprise. It encapsulates the spirit behind the industry.

In the seat of Gippsland West many hundreds of efficient, dedicated dairy farmers operate. I suggest to honourable members that on every dairy farm producing high-quality milk and with acknowledged good economic performance there would be at least one good quality working tractor; perhaps a second one that is not so good and a lot older; trailer equipment and other minor pieces of essential equipment. Instead of a horse, a motorbike, four-wheel drive or small tractor might be used.

Essentially my point is that the acquisition of much equipment depended on to produce high-quality milk for export and reliable first-class dairy products can be traced back to a hire-purchase arrangement. Therefore the amendments being considered today will protect hundreds of thousands of farmers across the state, and that is why I am pleased to support the bill.

Vegetable farming requires an entirely different type of tractor from that used in dairy farming. In the South Eastern Province, in south Cranbourne and around Cardinia, celery production is an important industry. Celery can be produced only over a limited number of months of the year. It is crucial that celery be collected and processed on time. The tractor equipment used in the multimillion-dollar celery industry is entirely different from that used in the dairy industry.

I turn to the orchards of the Mornington Peninsula. The common denominator in the vegetable and dairy industries is that a great deal of associated equipment has been and is acquired through a variation on a form of hire-purchase contract, so the bill's provision of an extension of the savings provisions from 1 April to 30 June is extremely important.

Clause 1 clearly states the purpose of the bill. I will read it out, because it is important that those members of the farming community who depend on the bill for security have the chance to understand the sentiments of Parliament in passing it, as it is expected to do. Clause 1 states:

> The purpose of this act is to amend the Hire-Purchase Act 1959 to extend the application of sections 24 and 25 of that act to hire-purchase agreements for farm machinery and connected agreements entered into before 1 July 2003.

Earlier I spoke about the past regrettable instances of unconscionable conduct by lenders. Sections 24 and 25 of the act make it clear that the community will not tolerate unconscionable conduct by hire-purchase lenders, and the mechanisms are available through the courts to provide the rest.

I do not know if any honourable members have ever driven harvesters or tractors in the production of volume primary produce. Tractors, transport and processing equipment have become increasingly sophisticated. I will not dwell on computerisation, which is evident in food processing, but the sophistication of the equipment used in family farm enterprises has increased enormously. However, that sophistication has come at an increased cost.

I do not know if any honourable members have had the opportunity to go to the various farming exhibition fares conducted throughout regional Victoria. I suggest with enthusiasm that those who have the opportunity visit the Lardner Field Days at Lardner's Track near Drouin, which is a big property. Family farm producers and agricultural industry members who attend the Lardner Field Days see a huge variety of equipment that comes in many different sizes. There are small, medium and huge tractors; those that are not so complicated and those that require a high degree of initial training for their safe and reliable operation.

The purchase price of such equipment can run into hundreds of thousands of dollars and such purchases are crucial investments for families, so the provisions of the bill are extremely important. Passing the bill is not a matter of passing a couple of paragraphs and feeling good, it is about having an understanding that it will provide peace of mind for farmers, facilitate their acquisition of vital equipment and serve the entire Victorian community by assisting farming communities across the state. It is a good measure.

An outstanding characteristic of modern farm equipment is its reliability. However, a high degree of operator knowledge is necessary and maintenance requirements have to be met, of which servicing is an important part. The Honourable Barry Bishop spoke about the use of complex equipment in the production of grains, which is the area of his family's farm enterprise. Attending a major agricultural field day show is an eye opener. One can see not only the continual improvements in equipment, but also understand the increased productivity in food production, which is reflected in the relative maintenance of supermarket prices. Although a lot of that productivity increase is due to the use of new handling techniques and the computerisation of processing, I refer to the early stages of primary production and suggest that the family farm enterprise is the base building block of a wide variety of rural enterprises that produce food efficiently and at the high

quality that has led to Victoria becoming known as the clean, green state for food production.

From time to time the financial system has its moments. We all see shares go up and down — —

Hon. Bill Forwood — You are talking about the crash of 1987, aren't you?

Hon. R. H. BOWDEN — Yes. Although the financial markets have boom years and bad years, such as 1987, one of the great things about Victoria is that because of its relatively consistent rainfall and acknowledged cooler climates it is a vital food producer for the rest of the nation, even though it constitutes approximately only 3 per cent of the total land mass. Just as Victoria is a vital food producer, those hardworking, and at times under-recognised, family farm enterprises are also vital and must be supported.

Financial providers need to understand there is a clear interdependency between the agricultural and financial industries. There are tens of thousands of legitimate, volume-diversified agricultural producers in the nation, and thousands of diversified, credible and hardworking family farm enterprises, as well as corporate enterprises, in this great state. When one side of the equation experiences trouble, such as that encountered during a drought or other difficult circumstances in a region or microclimate, there is an expectation that that interdependency will be understood.

Honourable members are aware of the interdependency of farming. Although some years are better than others, each year is a new season and a renewal. Just as there is a renewal of crops, orchards or vegetables, there is a need for a renewal of equipment. One renewal that should be encouraged is the constructive and worthwhile passing from one generation of farming family to another. I certainly support that renewal. The transfer of the noble work of farming from one generation to another should be supported by honourable members through tax incentives and other legislation.

In some parts of Australia, particularly on the east coast of New South Wales, agriculture goes back to 1788. Victoria has multigeneration farming enterprises, which I encourage. Honourable members hear a lot about the drift away from country Victoria to the city and the decline in rural populations. It is important to consider new technologies and different ways to revive regional and rural Victoria. Technologies change, but they also bring opportunities. I believe family farming enterprises are a way of stabilising Victoria's rural population. If Victoria has reliable, quality and large-volume production of a variety of agricultural products, supported by good production techniques and sophisticated machinery, it will continue to be well regarded throughout Australia and the world. During recent months there has been speculation about deregulation of the milk industry, which has a lot to do with this measure. It is conceded that deregulation will offer opportunities for very efficient and committed dairy farmers. The availability of capital provided by supervised finance agreements is a consideration that honourable members can make to rural communities. Hire-purchase has made a considerable contribution to farming communities over many years and should be continued, but it is important that good intentions and clear expression of the will of Parliament, as provided in the bill, is understood and accepted as the basis for the continuation of confidence of thousands of rural families. I support the bill.

Hon. BILL FORWOOD (Templestowe) — It is with pleasure that I rise as the shadow minister for small business and consumer affairs to support the Hire-Purchase (Amendment) Bill. In so doing, I put on the record my appreciation of honourable members on both sides of the chamber for their contributions. It has been a quality debate and it is not necessary for me to go into the detail of the bill. Honourable members who have perused the parliamentary handbook will note that during my somewhat varied past I was proud to claim the title of farmer. It was a period of my life that I enjoyed greatly. I touched briefly on it during my inaugural contribution in this place. I remember saying at the time words to the effect that although I represent a metropolitan electorate I would do all I could to advance the cause of those people living in rural Victoria. It is incumbent on honourable members to have at the forefront of their minds at all times that parts of Victoria and Australia have difficulties that are not well known to those who live in the cities.

As I said, the issues surrounding the use of hire-purchase by farming communities has been well canvassed by Mr Bishop and Mr Bowden, as well as other speakers. The bill has three pages. one of which is blank, and only a few clauses, but nevertheless it is important. Its effect, as honourable members have said, is to extend the savings period of sections 24 and 25 of the principal act to 30 June 2003. Parliament will use the period to see whether section 51 of the Trade Practices Act will protect the needs of farmers.

As Mr Bowden said, there has been considerable growth in the use of different forms of financing and consequent upon that there have been changes to the Hire-Purchase Act, which was revised some years ago,

and the Credit Act. There has been considerable growth in consumer protection legislation. Honourable members remember stories of people entering hire-purchase agreements, making a lot of payments over long periods, and then something unfortunate happens at the end of the agreement and they suddenly find themselves, to put it mildly, up against the wall through no fault of their own with no remedy. Anyone who has a sense of fairness about the way the world should operate would acknowledge that that is unjust. It is for that reason that when the principal act was amended in 1997 sections 24 and 25, which are specific to farm machinery, were saved for the two-year period that ends on 1 April this year.

Section 24 deals with the ability of the court to open transactions which are harsh and unconscionable. It is important that the provision remains for a further period. Section 25 provides that within 21 days after an attempt to repossess goods a person can apply to a court to have the goods restored so that he or she can operate the business. I was taken by Mr Bishop's analogy of the different equipment used in the harvesting process. Farmers use trucks, silos, the harvester and other equipment. If someone comes and repossesses the auger, you are in trouble and it is in circumstances like that where you must have easy forms of remedy.

To pick up Mr Bishop's point, the harvest does not wait for anyone. When the crops are ready it must be taken in, and that is what farmers do. It is important that the two provisions are preserved for the additional period.

My understanding is that no actions have been undertaken under sections 24 or 25 since they were saved, although I have not researched that point deeply and stand to be corrected. If some have been undertaken, there have not been many. However, it is important that they remain on the statute book as a reminder of the powers that are available for use in certain circumstances.

While I accept Mr Bowden's point that the nature of financing farm equipment has changed substantially over the years, particularly since the Hire-Purchase Act was proclaimed in 1959, I believe it is important that the capacity remains to take action under the provisions. The very existence of the sections on the statute books ensures that people approach problems with open minds and that financiers are more willing not to abide by the letter of contracts by enforcing their legal rights under hire-purchase contracts but rather to sit down and say 'This is the situation. How can we best resolve it in our interests as the financier and your interests as the farmer?'.

As I said, although the bill is short it has a serious and sensible effect, one that the opposition supports wholeheartedly. With those few words, I wish the bill a speedy passage.

Motion agreed to.

Read second time.

Third reading

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

That this bill be now read a third time.

This important bill extends the operation of sections 24 and 25 of the Hire-Purchase Act and increases its capacity to protect farmers who enter into hire-purchase agreements for farm equipment. Many honourable members have spoken about the circumstances that farmers face from time to time, including the constraints on their ability to operate based on seasonal outcomes. It was worth while listening to their contributions to the debate. I enjoyed in particular what the Honourable Barry Bishop had to say from first-hand experience about the generational experience of farmers on the land.

The government hopes that section 51AC of the Trade Practices Act will do its job and protect farmers who enter into hire-purchase transactions. However, at this stage the government is not confident that that will be the case. The bill will provide the time needed to enable the government to be confident that farmers will be protected. The bill's effect will cease in 2001.

I thank the Honourables Barry Bishop, Dianne Haddon, Maree Luckins, Sang Nguyen, Ron Bowden and Bill Forwood for their contributions to the debate.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

PROSTITUTION CONTROL (PLANNING) BILL

Second reading

Debate resumed from 1 March; motion of Hon. M. R. THOMSON (Minister for Consumer Affairs).

Hon. J. W. G. ROSS (Higinbotham) — I am pleased to have the opportunity to speak on the Prostitution Control (Planning) Bill, which, I advise the house, the opposition does not oppose. This small bill amends the Prostitution Control Act by closing a loophole that would have permitted the owners and operators of brothels to gain approval to change the conditions of the permits issued under the Planning and Environment Act, which would run counter to the spirit and intent of the Prostitution Control Act.

The bill inserts into the Prostitution Control Act proposed section 75A, which relates to the determination of applications to amend permits issued under the Planning and Environment Act for the use or development of land for the purposes of operating brothels if the amendments would have the effect of expanding or extending the use or development of the land for the purposes of operating brothels.

The bill specifically directs that if a variation to a permit is sought, it should be considered by the responsible authority or tribunal, as the case requires, as if it were a new application for a permit to operate a brothel. The section should apply whether or not the permit was granted before, on or after 14 June 1995.

The bill gives honourable members an opportunity to reflect on the history of the development of prostitution control in this state. I am pleased to say that it was a Liberal government — the Hamer government — that in the 1970s pioneered the control of the proliferation of brothels and attempted to impose some agreed community standards on their operation and location.

However, I am bound to say that the community was less than forthright in its acknowledgment of the existence of large numbers of sex workers in a wide-ranging sex industry and the nomenclature ‘brothel’ was barely mentioned. Most of the amendments to the planning acts adopted the pseudonym ‘massage parlour’. Rather than their long history in Victoria being acknowledged, brothels were portrayed more or less as a new Californian-type fad that had recently been introduced into the state. There was a measure of hypocrisy on the part of both the community and, I have to admit, the government.

Nevertheless, a sincere attempt was made to develop a more orderly distribution of sex workers and the sex industry, particularly in residential areas. The approach taken in 1975 was to regard brothels in the same way as other businesses by amending the metropolitan planning scheme to restrict their operations to industrial and commercial zones.

Time and experience proved that that approach was impractical and the government was unable to effectively regulate the sex industry. It was extremely important at that time for the government to regulate the sex industry rather than allowing it to proliferate in an uncontrolled and underground fashion. There was, firstly, the question of rational planning and maintenance of the amenity of residential areas; secondly, the key issue of improving health standards; and, thirdly, a longstanding association of criminality in the operation of the sex industry. From those three points of view, there remained a real need for the government to intervene to attempt to develop some rationality in the development of the sex industry.

The approach generally did not achieve its objectives. By 1 July 1984 only about 28 of the so-called massage parlours had been appropriately subjected to the provisions of the metropolitan planning scheme. Even the issuing of the permits was clouded by immense controversy. I remember an application for a permit in the City of Moorabbin, where I subsequently became a councillor. The mayor of the day conducted a vigil in the street where a brothel operator was seeking a permit. The mayor whipped up community hysteria and attempted to maintain the status quo so that the industry remained subjugated, obscure and remote from the influences that, with the benefit of hindsight, we see were appropriate. In reality, councils were extremely reluctant to grant permits, and those that were obtained were generally obtained on appeal to the planning appeals court of the day. Certainly at that time it occurred to me that local councils and councillors were not the best level of government to be taking on the wide view needed for the orderly development of the industry.

Almost overnight prostitution rapidly became an enormous health issue. The first case of HIV/AIDS was diagnosed late in 1982. It was rapidly established that gay men were the high-risk group. It was also feared that the brothels and prostitutes in particular would be the focal point of outbreaks of AIDS and other sexually transmitted diseases into the general heterosexual community. That never happened to the extent feared or predicted because of the initiatives of Australian and Victorian health authorities in educating these groups about the issues, in particular safe sex.

I acknowledge the role that Dr Penington played in those days as chairman of the National Aids Council. I acknowledge the contribution made by agencies such as the prostitutes collectives and the gay men’s mutual support groups. We were rapidly able to disseminate the well-known epidemiological information on the transmission of AIDS. Australia still remains at the

forefront of having the lowest prevalence of AIDS, which is a direct result of health education and sanitation promotion programs. Those early attempts to control the distribution of brothels and gain access to workers, operators and clients were prerequisites to provide safe sex messages.

I often think that as we sit on the cusp of a great new epoch of public health that behaviour-related diseases and AIDS in particular are the models that indicate where the entire community has to go in respect of health issues generally.

If one looks at the cases of admission, morbidity and mortality in most health agencies one finds they are largely related to diseases where personal choices and lifestyle are the key issues. One can take one's mind back 100 years to the late 19th century when public health was focussed on communicable diseases and their causes, such as poor water supplies and problems with the elimination and treatment of human waste. Horse manure was abundant in the streets and there were pools of water lying around. Many epidemic diseases were carried by mosquitoes, flies and other insects. At that time the objective was to intervene in an environmental sense and to engineer the environment to make it healthier.

The next great epoch in public health was the 1930s, 1940s and 1950s with the advent of immunology and the discovery of penicillin and chemicals such as DDT that were able to eliminate many diseases around the world that were transmitted by insects in particular. There were better techniques of surgery and anaesthetics. Again, it was conceptually relatively simple. If a person was suffering from a disease one could intervene in an almost mechanical way, such as the golden bullet penicillin, to treat the disease. That was the era of medical technology that was conceptually simple. The person was ill and the objective was to effect a cure.

As I said we are now on the cusp of what I regard as the third great epoch of public health. It concerns behaviour, and AIDS is the classic example to all intents and purposes that one cannot mitigate against. AIDS is extremely difficult to treat and few interventions can be easily taken either on the environment or on the person. Nevertheless, the pattern of the spread of the disease and its epidemiology is so well known that one could easily make the statement that, barring an accident such as the inadvertent use of blood transfusions and so on, nobody should ever contract AIDS.

We have a great deal to thank groups such as the prostitutes collectives and gay men's groups for. They have embraced the modern principles of public health that is at the front edge of the new epoch of public health — namely, prevention. If one asks oneself how one avoids having a heart attack, there is much one can do. However, it is essentially up to the individual to be motivated and to act on information that is readily available. Other examples are problems of drug abuse, road traffic accidents, interpersonal violence, violence in the home and the maltreatment of children are all difficult health areas.

In 1982 the threat of the spread of HIV/AIDS resulted in the development of a rage of hysteria. At that time the Cain government had recently come to office and established a working party to examine the controls over and location of brothels and to recommend how planning controls introduced by the Hamer government could be improved on and made more effective.

A comprehensive report often referred to as the Neave Report was produced. It estimated that in 1985 between 3000 and 4000 men, women and transsexuals worked as prostitutes on a reasonably regular basis in Victoria. The report conservatively estimated that prostitutes and their clients had about 45 000 sexual contacts a week. The report also suggested planning laws for brothels employing two or more persons. In particular, it recommended that brothels should not be confined to red-light districts. I compliment the Cain government on responding to that recommendation.

I have travelled extensively in Europe and looked at red-light districts such as those along the canals of Amsterdam and in Frankfurt and Zurich. The development of what I can only describe as distasteful red-light districts or precincts must be avoided at all costs in Australia. It is worthwhile during the current debate to comment about self-injecting rooms, a concept now being investigated by Dr Penington. Red-light districts are regarded as the sleazy parts of towns and, overseas, are the areas where self-injecting rooms are commonly established. Drug trafficking is often tolerated in such precincts and they are regarded as the distasteful parts of town. The attitude is that you need not go there if you regard yourself as a decent citizen. Those districts represent abscesses on the faces of great cities. I shall be eternally grateful to the Cain government for having prevented their establishment in Victoria.

The legislation, however, was never totally proclaimed and was often regarded as piecemeal. When the Kennett government came to office in 1992 the need for a further review was obvious, and another inquiry

was convened. The Kennett government formulated the principal act now being amended. During its introduction the Kennett government was firm in saying that it did not support prostitution; it opposed prostitution in all its forms. Nevertheless, the realities of life are such that the need for education, the planning laws and the maintenance of the amenity of residential areas are essential issues to consider in determining the location of brothels.

The Kennett government saw the solution to community concerns as part of a system of strict regulation. Probably within the context of the bill it is worthwhile to comment briefly on the provisions of the legislation. It was designed to ensure that brothels were not established within 100 metres of dwellings or 200 metres of hospitals, schools and other places frequented by children for recreational or cultural activities. The Kennett government attempted to quantify the principles enshrined in previous legislation. Specific planning guidelines related to the prohibition of brothels in rural and farming communities.

More importantly, in accordance with specific guidelines issued by the minister, brothels with more than six rooms were not permitted to operate. I will refer to that issue later. Existing brothels that had more than six rooms were set aside because they had prior planning approvals, but the intention was to diminish the scale of operation of brothels and to limit every new brothel to six rooms.

The second-reading speech states that the bill is specifically intended to close the loophole that allows brothels to increase their room numbers despite the intent of the principal act to impose limitations on the expansion of brothels.

The raison d'être of the bill is more general. It arises from an application to extend the hours of operation of a Collingwood brothel that was located within 20 metres of a local residence. The operator applied under section 72 of the Planning and Environment Act to the responsible authority to extend the hours of operation of the brothel notwithstanding that it was close to an existing residence.

The residents in the house next to the brothel appealed to the responsible authority, which decided to refuse the application of the brothel operator. The authority was supported in its view when the decision was appealed against to the then Administrative Appeals Tribunal. The applicant subsequently appealed to the Supreme Court. The Supreme Court judgment has led directly to the introduction of the bill because its principal finding was that the provision did not affect an application to modify an existing permit but applied only to the granting of a permit for a new brothel.

The responsible authority and the tribunal had taken the view that the principal act, which laid down the guidelines, intended that changes should be consistent with the Prostitution Control Act. The appeal to the Supreme Court varied from that logic and found that because the application was not new, the principal act had no binding effect despite the fact that the brothel was within 20 metres of a residential property.

The second-reading speech is almost exclusively concerned with brothels with six rooms. The issue is more general than that as the bill proposes to ensure that responsible authorities and appeal tribunals take cognisance of the key provisions of the principal act.

The opposition does not oppose the bill. However, the house is again stuck with minor legislation that is essentially reactive rather than proactive. More must be done to control brothels and prostitution, but the government has no desire to push back the boundaries to create innovative legislation in this field to improve the situation even further.

I will even make a suggestion to the government on the direction it might like to follow. Within the past couple of days Kevin Jones from Workplace Safety Services Victoria has published in the February 2000 CCH *Occupational Health & Safety Magazine* an interesting paper headed 'Safe sex industry'. He has been looking at brothels from the point of view of occupational health and safety. If the government is seeking ideas on which way to go in introducing legislation that might be a bit more proactive, I put on the record the key occupational hazards that Mr Jones found in his survey of the sex industry, which has received some media coverage during this past week.

The article states that in his review of brothels he found:

> … inappropriate storage, labelling and manual handling of chemicals such as biocides and detergents used for cleaning showers, spas, toilets and so on;
>
> smoking in the vicinity of chemicals;
>
> no formal emergency and evaluation procedures, locked exits, broken exit signs, poor equipment maintenance, ineffective communication, vague warden responsibilities;
>
> slippery floors, narrow and steep stairwells, unsafe access and egress from spas;
>
> unsafe storage of linen and chemicals;

informal and undocumented consultation with employees and casual staff;

no workers compensation payments, payments under the wrong categories, reluctance by workers to make workers compensation claims, owners who deny any occupational health and safety responsibility for casual staff;

drug use.

Lest the government leap to its own defence and say that the previous government never acted in that regard either, I point out that this is new information that has come to the public's attention only in the past week.

I urge the government not only to act to close the loopholes revealed by the Supreme Court but also to take a measured position on the entire industry and get on with the job by improving the lot of the community and the workers in the industry. With those few words, I reiterate that the opposition does not oppose the bill.

Hon. D. G. HADDEN (Ballarat) — I support the Prostitution Control (Planning) Bill. The purpose of the original act was to control prostitution in Victoria, which must be uppermost in our minds at all times. Part 4, which came into effect on 14 June 1995, sought to introduce planning controls on brothels and to define the matters to be considered by the responsible authority in determining permit applications. In particular, part 4 limits the size and location of brothels unless the special circumstances in section 74(1)(d) exist. A recent Supreme Court appeal decision brought to light a loophole in that section, which the bill will close.

The Supreme Court decision handed down on 9 October 1995 made it clear that the limits in part 4 of the Prostitution Control Act did not apply to decisions to amend brothel permits granted before the part was inserted into the act on 14 June 1995. The bill amends the act by inserting section 75A to provide that if an application to change a brothel permit seeks to expand or extend the use or the development of land for the purposes of the operation of a brothel, the decision-making body must determine the application in accordance with part 4 of the Prostitution Control Act. Part 4 makes clear the limits of the decision-making body's power when amending brothel permits. The practical effect of the amendment is that brothels with fewer than six rooms may increase in size up to a maximum of six rooms but that brothels with six or more rooms cannot be made bigger.

Subsection (3) is a transitional provision. It provides that where an application or request for the amendment of a permit has previously been made but not determined, it must now be determined in accordance with proposed section 75A. Currently there is one such application before the Victorian Civil and Administrative Tribunal.

By way of example, I refer to a brothel that was constructed in Ballarat about two years ago amid enormous community outcry, including the signing of petitions. A large, palatial building was constructed in the suburb of Delacombe on the western side of Ballarat. Although it was close to housing estates, schools and the like it was outside the limit prescribed by the act. However, that did not stop the community of Ballarat from expressing its opposition to a brothel being established in the city.

The operators, who were from Melbourne, went through the normal processes before the planning tribunal and were successful. However, that brothel is no longer in existence; it went out of business. Its palatial premises were sold last year for a substantially lower price than its replacement value. What happened in Ballarat is a fine example of the community speaking out against prostitution. The name of the brothel was Dalliance Encounter. It did not dally too long in Ballarat, because from my recollection it operated for about six months. The women were trucked in from Melbourne and Geelong — they were not local women — and it is a good thing that it was closed.

Section 4 lists the objects of the act, a couple of which are:

(f) to maximise the protection of prostitutes from violence and exploitation;

…

(h) to promote the welfare and occupational health and safety of prostitutes.

Restricting the number of rooms in brothels is a step in the right direction, but I am not certain that it goes far enough to comply with the objects of the act.

There are 51 licensed brothel operators in Victoria, 31 licensed escort service providers and 66 licensed operators who provide both services. There are 13 brothels with more than 6 rooms currently operating, one of which has 18 rooms. That situation is not good enough. Women are being exploited, and it saddens me to have to stand here and speak on the bill. However, it also gives me some pleasure to speak in support of a bill that in some small way seeks to control the exploitation of vulnerable women. If the number of rooms available in the prostitution industry is minimised, that is to be commended. It is on that basis that I commend the bill to the house.

Hon. M. T. LUCKINS (Waverley) — Opposition members do not oppose the bill. I congratulate Dr John Ross on his interesting contribution to the debate, which provided an historical context and related to many health issues, and I also congratulate the Honourable Dianne Hadden.

The bill arises from a Supreme Court judgment of 9 October 1995 in the case of *Zariah Beaufonte v. the City of Yarra and Others* — residents who I will not name, who were appealing a decision made by the relevant authority about a brothel situated in Collingwood. The judgment identified a loophole in part 4 of the Prostitution Control Act. The court considered the relevance of the application of section 74 of the act on an existing brothel in Collingwood. The brothel was located 20 metres from a residence, and section 74(1)(b) of the act restricts the granting of permits to brothels within 100 metres of a dwelling.

The brothel in question commenced operation in 1989 and in 1995 a permit for its operation was extended for a further six years. The Prostitution Control Act commenced operation on 14 June 1995 and problems have arisen because the brothel existed prior to the commencement of the act. There has been some debate about whether the act can apply to the brothel given that the brothel was already in operation prior to its enactment.

The judgment of 9 October 1995 accepts that:

> Nothing in part 4 of the Prostitution Control Act 1994 reveals an intention on the part of the legislature that an application to modify an existing permit is affected by section 74.

Section 74 of the principal act is headed 'Restriction on granting of permits' and lists a number of restrictions:

> (1) The responsible authority must refuse to grant a permit for a use or development of land for the purposes of the operation of a brothel if —

the land is within an area zoned as being residential or within 100 metres of a residence — unless it is within the CBD of Melbourne. It must be at least 200 metres away from churches, hospitals, schools, kindergartens, children's services centres and any other kind of facility or place regularly frequented by children for recreational or cultural activities. Paragraph (d) provides that unless there are special circumstances as set out in guidelines issued by the Minister administering the Planning and Environment Act 1987, no more than six rooms in a proposed brothel can be used for prostitution.

The Supreme Court judgment identified a loophole in the legislation concerning brothels operating before the act came into operation. More importantly, the judgment cast doubt on amendments sought to permits issued after the act commenced operation. The judgment therefore found the act to be basically irrelevant and not able to institute the changes necessary to make brothels conform with it. Under the judgment brothel proprietors could expand premises without reference to any relevant authority and could amend permits previously obtained, even those obtained after the act came into operation.

The purpose of the Prostitution Control Act is to regulate the sexual services industry, and there is a fine line to be walked in balancing the sometimes competing interests of sex workers and clients with the security and safety of the community as a whole. In formulating the act in 1994 the Kennett government acknowledged the demand for sexual services, and the reality is that there will always be a high demand for such services in the community. There is no point in a government putting its head in the sand. The choice is to either strenuously regulate the industry or allow it to self-regulate, which then opens the door to criminal activity, health problems and wide drug usage.

The bill ensures that these services are provided in a controlled and regulated environment where alcohol is not served, criminal elements are not tolerated and the health and safety of sex workers and clients can be guaranteed.

Part 4 of the act sets out the criteria for the assessment of applications for brothels, including whether any other brothels are located in the neighbourhood. Primarily, as outlined in the relevant section of the act, brothels are located in industrial areas because their establishment is prohibited in residential areas. When a new application is made the tribunal must take into account the existence of other brothels in the area. The tribunal must also take into account the operation of a brothel and its effect on local children, whether they reside there or visit the area for other purposes.

The prohibition on the operation of a brothel within 200 metres of places where people gather ensures that general community interests are upheld and that people have the freedom to move around their communities without being confronted by places where explicit sexual activities are performed, in particular in the presence of children. Many people in the community are offended by the industry, and members of Parliament have an obligation to ensure that young people in particular are not embarrassed by the services provided. I certainly would not want to be approached

by my five-year-old son for an explanation about what happens in a brothel.

The act also limits the operation of the brothel by taking into account the noise and traffic considerations for the neighbourhood. Provisions dealing with off-street parking, landscaping and access to the sites protect the amenity of affected areas. Other provisions limiting the size of brothels and the number of sex workers on site prevent unrestricted expansion without reference to responsible authorities, and herein lies the problem with the judgment of the Supreme Court.

At the moment the act cannot be enforced until that change is made. Brothel operators are able to make application to vary the conditions of their licences until that loophole is sealed.

Based on my figures, which differ from those of Ms Hadden, I believe approximately 94 brothels operate in Victoria. Since the act commenced in 1994, 84 individual licences have been approved. There are over 1000 individually registered escort agency workers and 4500 prostitutes working in Victoria. Police have estimated that in addition to the licensed brothels, 40 to 50 illegal brothels are operating. I know concern has been expressed within my electorate about the operation of illegal brothels in the Springvale area.

Amendments were made to the act in June last year to define sexual services and also to restrict sexual services being provided in premises where alcohol can be served. Brothels cannot serve alcohol. They are prohibited from doing so. It was seen to be inconsistent that tabletop dancing venues, which provide what has now been defined as a sexual service, were able to serve alcohol to their clients, while lap dancing and some sexual activities — certainly what would now be defined as sexual acts — were taking place in the back of certain premises. Without the amendments in the bill the 94 licensed brothels could take advantage of the loophole and expand their businesses unfettered.

The changes made to the legislation last year by the Kennett government further tightened restrictions on legal brothels and sought to give law enforcement authorities the opportunity to take action against illegal operators and to ensure the Prostitution Control Act was enforced as it was purposed to be.

I add that the regulations that were to come from the Prostitution Control (Amendment) Act, passed in June last year, have not yet been forwarded for perusal to the subordinate legislation subcommittee of the Scrutiny of Acts and Regulations Committee. I understand that while the Kennett government was still in office those regulations were being drafted. It is now March, some nine months after the amendments were passed last year, and the Parliament is yet to see the regulations that will further tighten the industry and restrict sexually explicit advertising and operations taking place at tabletop dancing venues. I urge the Labor government to follow that up and ensure the amendments to the act and subsequent regulations are put in place as soon as possible.

I find the demand for sexual services surprisingly high. In an article in the *Age* last year, entitled 'The sex business', published on 28 February 1999, it is estimated that 60 000 Victorian men visit prostitutes each week. Turnover in the industry is estimated to be $360 million annually. The operators of brothels may argue that the demand for the sexual services they offer justifies the expansion of the size of brothels above the six-room limit specified in section 74(1)(d) of the principal act. Ms Hadden referred to one brothel operating with 18 rooms. That alarms me as well. The bill before the house will ensure the intention of the act is clear and can be properly enforced.

It should be noted that the Kennett government while in office acted responsibly to provide a legislative framework for the regulation of the sexual services industry. In contrast Labor's record while in government in the 1980s was quite poor. In 1986 the Cain Labor government introduced legislation to decriminalise brothels for the first time and sought to rid existing massage parlours of the prevalent criminal element.

The Liberal Party, then in opposition in this chamber but with a majority — this game is very cyclical! — considered the planning and licensing system proposed by Labor to be utterly unworkable and proposed amendments to the bill before the house at the time. The amendments were passed to strengthen the provisions of the bill and were returned to the Assembly, where they were subsequently accepted and incorporated in the act.

However, despite the fact that both houses of the Parliament passed the amendments, Labor flouted the authority of the Parliament by failing to proclaim those provisions, which resulted in the licensing and planning aspects of the recently decriminalised brothel and sexual services industry being unworkable and very hard to police. Between 1986 and the Kennett government's election in 1992 police had great difficulty in enforcing the provisions of the Cain government act. In 1994 the Prostitution Control Act, which the house is amending today, was passed.

Many aspects of the industry are of concern, health for one. It is important to protect not only the workers providing the sexual services; it is also most important to protect the clients. I would assume that clients may be in other relationships. Who knows — I would not make presumptions. But it would be absolutely appalling for an innocent party to be at risk of contracting AIDS and hepatitis B and C because his or her partner had chosen to engage a prostitute without taking precautions such as using a condom and later having sexual relations with someone else, again without taking precautions.

Drug use is prevalent in the industry. Unfortunately many industry workers are forced into prostitution to feed their existing habits. Others go into prostitution or tabletop dancing, which is much less physical, and get into the drug scene consequentially. It must be ensured that drug use in the industry is regulated and policed and that those working in the industry are looked after and the criminal element is kept out.

During the 1970s and 1980s, even when I was very young, I remember reading much material in newspapers about massage parlours — about police raids and accusations of police being involved in brothels, accepting kickbacks and so forth. Throughout the 1980s, in particular when I was old enough to understand what a brothel was, the industry seemed unfettered and unregulated and certainly had a reputation for being dangerous to clients and sex workers.

I again point out the importance of the protection of children from that kind of industry. Parents must have the opportunity to shelter their children, particularly when the children are very young. Most children are naive about sex in general. Society would not want to threaten the innocence of children by having sexually explicit advertising visible or brothels close to where children congregate.

Talking about sexually explicit advertisements, there is a hoo-ha in the media at the moment over provocative advertising boards that are supposedly selling shoes. They are all over town, and there are certainly a few in my electorate. The regulations that should have been put into place, following the amendments to the act in June last year, would have regulated sexually explicit advertising of the sex industry; they would also have extended to advertisements for other goods and services. I look forward to those regulations coming to our committee for investigation.

Another important aspect of the prostitution industry relates to the protection of women in general. While there are some male prostitutes, sex industry workers are predominantly women. Many of the men they come into contact with do not seem to respect them. I fear that the more sexually explicit entertainment there is, the more women in the community will be subjected to discrimination and sexual harassment. That is an issue I have always been concerned about as it relates to tabletop dancing venues. As a female I cannot presume to feel what a man feels, but I cannot see how a man could enter a tabletop dancing venue and not be aroused by what he sees, even though he cannot touch. I fear that many men who leave such premises feeling aroused and return to work or to whatever they were doing may harass females at work or even in the street. I have gone past a couple of venues in the city late at night and have unfortunately been accosted.

The whole industry is basically unsavoury. However, it must be recognised that it services a need and that there is a demand in the community for the provision of sexual services. Parliamentarians must therefore ensure it is regulated, that regulations are enforced and that the interests of the wider community are protected, while still allowing individuals the freedom to choose to take advantage of available sexual services should they feel the need or desire.

On that note, I will wrap up my contribution. In government the opposition demonstrated its willingness to ensure the proper application of the act. It does not therefore oppose the bill, which aims to strengthen the existing act. I wish the bill a speedy passage.

Hon. G. D. ROMANES (Melbourne) — I support the Prostitution Control (Planning) Bill because of its importance in addressing a problem that has arisen. Part 4 of the Prostitution Control Act provides for the imposition of limits on the size and location of brothels, including the six-room limit on the size of a brothel. Proposed new section 75A relates to the amendment of permits, which occurred regularly under the Planning and Environment Act.

Dr John Ross has already referred to a 1995 Supreme Court decision in a case in respect of the Collingwood area. However, a recent application of that decision through the Victorian Civil and Administrative Tribunal (VCAT) has brought the matter to a head and highlighted the need to amend the act to close the loophole. As the situation stands, the Prostitution Control Act does not have to be taken into account in decisions on applications for amendments to pre-1995 brothel permits. The government has received legal advice that even applications involving brothels that have gained permits post-1995 are open to the exploitation of a possible loophole — that is, that in

decisions to amend such permits the controls covered by the act are not determinative of the matter. There is a need for an amendment to the effect that whenever a brothel permit is amended the application will be dealt with by the responsible authority, whether it be the local council or VCAT, as if the application were for a new permit, enabling the full controls and size limits to apply.

The importance of maintaining a six-room limit reflects the government's policy objective of keeping legalised brothels small and low key. The reasoning behind that relates to the impact on the local environment and amenity, and to all the issues that come into play when planning permits are issued. I am sure most honourable members are aware of how anxious local communities and individuals become when issues arise, such as a medium-density development situation or a dual occupancy involving a house next door being before the local council. We can all therefore imagine — or may know; some of us may have experienced the fact — that when a brothel is proposed for a local neighbourhood or area extreme angst and activity often ensue. Concerns can relate to parking, to the coming and going of clients and workers, to neighbourhood amenity and real or perceived security issues, and to controls on and the siting of brothels. The government's intention behind keeping brothels small and low key relates to its desire to try to keep organised crime and drugs out of such establishments.

Earlier, when Dr Ross referred to decisions about brothels coming primarily before local councils and shires, I detected that the Honourable Cameron Boardman seemed to snigger at the way councils deal with such issues. Having been a member of both the former Brunswick council and the Moreland City Council I can assure all honourable members that a decision about whether or not to approve a brothel is an extremely difficult decision for anybody to make. In my experience in local government of nearly a decade, on a number of occasions I have participated in making decisions concerning brothels. I can recall voting for the redevelopment and refurbishment of a brothel in a main street in the former City of Brunswick; voting against the expansion of a major brothel in Brunswick which would have turned a particular neighbourhood into a red-light district; on another occasion voting against the establishment of a brothel too close to a school and residents; and on another occasion voting for a brothel despite many people having lobbied councillors against it and thousands of signatures being presented to council.

I voted for that brothel for reasons related to — picking up some points made by Dr Ross and Mrs Luckins — prostitution being a reality in our society, and the important issue of legalised brothels and the operation of occupational health and safety standards for the protection of sex workers and their clients.

The brothel I voted for in North Coburg was well-designed and in a remote industrial area of the municipality. I therefore considered it was sited appropriately for a brothel and that it was a reasonable application to support. They are difficult decisions.

It is important to have a legislative framework to ensure the occupational health and safety of those involved in the industry. I understand that in addition to the 148 licensed providers there are another 1149 private workers who work as escorts or with another worker who are exempt from holding a licence, but who are on a confidential register. The industry has many sex workers apart from those working in licensed brothels who need the protection of the regulatory system and the framework of control.

I am pleased I was present to hear Dr Ross give a history of the development of the regulatory framework and controls developed in this state. His account of the way they evolved started with the Hamer government, progressed to the Cain Labor government, which took the courageous step to decriminalise brothels, and then dealt with the last decade when the Kennett government and now the Bracks Labor government have and are refining the operation of the principal act. It is important to have bipartisan support. I take issue with Mrs Luckins for being uncharitable about the Cain Labor government. I remember that period during the mid-1980s when the Cain government took the courageous step to decriminalise brothels. It was an important step to take in the development of legislation in this area.

I conclude by reiterating my support for the legislation and the need to close the loophole to make sure the legislation is worth while and well thought out, and will continue to provide a regulatory framework for the prostitution industry. With those few words I commend the bill to the house.

Debate adjourned on motion of Hon. C. A. FURLETTI (Templestowe).

Debate adjourned until later this day.

BUSINESS OF THE HOUSE

Sessional orders

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

> That so much of the sessional orders be suspended as would prevent new business being taken after 8.00 p. m. during the sitting of the Council this day.

Motion agreed to.

PROSTITUTION CONTROL (PLANNING) BILL

Second reading

Debate resumed from earlier this day; motion of Hon. M. R. THOMSON (Minister for Consumer Affairs).

Hon. C. A. FURLETTI (Templestowe) — In joining the debate on this bill I congratulate Dr Ross, Mrs Luckins, Ms Hadden and Ms Romanes on their contributions. It is the third bill in two days comprising only one amending clause that this chamber has debated. It is indicative of the legislative program of the government that it introduces piecemeal legislation. This bill, the Corporations (Victoria) (Amendment) Bill, which was debated yesterday and the Hire-Purchase (Amendment) Bill debated earlier today could have been gathered together as one omnibus bill, but because of the perception of an intense workload the government intends to create, we have three small bills. I make those comments as an indication of what the government is about. It is a government that is without a legislative program or ideas and it is filling in time as best it can to the detriment of the people of Victoria.

Dr Ross took the house through the historic phase of the legalisation of brothels from the early days, when as he indicated illegal brothels masqueraded as massage parlours. He spoke in some detail and at length on the town planning developments that took place over that period, referred to the impact of illegal activities on public health and communicable diseases and spoke in detail of that epoch in public health; and with his experience and background, he spoke authoritatively and well. He gave a broad-ranging overview of the development of legal prostitution in the state.

Other speakers analysed and discussed in detail the relevant parts of the Prostitution Control Act and the way it applies to the bill. Mrs Luckins referred to the Supreme Court case of *Zariah Beaufonte v. City of Yarra and Others*, which was the stimulus for the bill. In making that comment I ask why it has taken almost five years to bring on the legislation. The decision was handed down in October 1995 and the Prostitution Control Act came into operation in June 1995.

Ms Romanes referred to her period as a councillor in making decisions on brothels and in view of the contributions of earlier speakers honourable members can appreciate the significance and size of the industry. It is not a small industry. Some of the statistics put on the record, including the fact that 60 000 Victorian men demand the services of prostitutes weekly, was surprising. The industry has a turnover of $360 million per annum, which is also surprising. It is clear that the industry should not be disregarded.

I note in the second-reading speech reference to the closing of the loophole in the Prostitution Control Act. I have to wonder whether it is a loophole. When one considers the Supreme Court decision to which I have referred — the finding of Justice O'Bryan that the Prostitution Control Act does not affect the application to modify an existing permit but applies only to the application for the granting of a permit for a new brothel — in the context of section 76 of the Prostitution Control Act, one wonders whether it is a loophole or is now regarded as a loophole because the intent of the legislature at the time was not effective.

The learned judge in the Beaufonte case, Justice O'Bryan, said in a surprisingly short judgment given the history that had been recited that he had accepted the submission by counsel for the appellant that section 74, which is the prescriptive section relating to the six-room qualification for a brothel, was not intended to operate for an existing permit granted under the Planning and Environment Act. The judge said simply, 'I accept this submission', which demonstrates how clear the section is. That is why I wonder whether there is a loophole.

Obviously an error of law was made by the Victorian Civil and Administrative Tribunal. But bearing in mind that one must read legislation the way it is written, when one reads section 76, which is a transitional provision that is intended to be a catch-all provision, the situation becomes clear. Section 76 states:

> An application for a permit that was made under the Planning and Environment Act 1987 before the commencement of this division but which has not been determined before that commencement must be determined under that act as affected by this division.

That section relates only to an application for a new permit, which was the interpretation given to it by the Supreme Court. It is not really a loophole.

In 1994 the then government policy was that both the size of future legal brothels and the number of operators should be restricted with a view to encouraging the establishment of smaller and therefore more numerous brothels rather than a small number of larger edifices. As a result, smaller sized businesses have developed.

Under section 74 the size of a brothel was held to be significant. I will not bore the house with a detailed analysis of part 4 of the Prostitution Control Act, because previous speakers have already provided that. Nevertheless, a brief analysis indicates that in addition to the matters required to be considered under the Planning and Environment Act, section 73 sets out a large number of other matters that the responsible authority must consider. On top of all of that, section 74 states that the responsible authority must refuse an application — there is no discretion — if the land is in a residential area or is close to dwellings, schools, hospitals or kindergartens. Included among those significant criteria is the requirement that a brothel must consist of not more than six rooms. The size of brothels is a significant element in the planning process.

Because of transitional provision section 76 it has now come to light that the legislation does not give effect to what was intended, which is that all future brothels be of six rooms. The Supreme Court has found not only that a simple application to modify or amend a permit is not caught by the Prostitution Control Act but that the holder of a permit for a six-room brothel could apply for a variation to that permit. Such an application would not be a new application; therefore the act would not prevent the operator of a brothel with a six-room permit from applying for an extension of the permit.

The bill is intended to establish the legislative intent of the 1994 act, which was to limit and restrict the size of legal brothels to six rooms. As I said previously, this one-section bill inserts proposed section 75A, which makes it clear that:

> If —
>
> (a) a permit has been issued under the Planning and Environment Act 1987 for the use or development of land for the purposes of the operation of a brothel; and
>
> (b) an application or request for the amendment of that permit is made; and
>
> (c) the amendment would have the effect of expanding or extending the use or development …
>
> the responsible authority or the tribunal (as the case requires) must determine the application or request for the amendment in accordance with this part —

which is section 74. Proposed section 75A goes on to clarify the current ambiguity:

> This section applies to the amendment of a permit whether the permit was granted before, on or after 14 June 1995.

That is the commencement date of the Prostitution Control Act. It goes on to state:

> If an application or request for an amendment of a permit was made but not determined before the commencement of section 3 of the Prostitution Control (Planning) Act 2000, that application must be determined in accordance with this section.

That provision is clearly retrospective. I take issue with the retrospectivity, because it is a trend that appears to be increasing in government legislation. I look forward to seeing whether over the course of the Parliament other proposed legislation contains that type of provision.

Subsection 3 of proposed section 75A is a transitional provision. Applications made in accordance with the law as it existed at the time they were made should be dealt with in accordance with that law. However, subsection 3 places an applicant in a situation where he or she is told, 'You now have to revisit your application and reapply under the new legislation'. The rules are being changed halfway through the process.

Although I accept that mine may not necessarily be a popular view, I believe a person can act and react only in accordance with the law as it stands at any given time, so I therefore take issue with that type of retrospectivity. At the end of the day, without retrospectivity one or two might slip through the net. However, safeguards can be included in other ways — for example, by ensuring that any applications made after legislation is flagged must be treated as though they were made under the proposed legislation.

As honourable members on this side have said, the opposition does not oppose the bill, and I wish it a quick and sure passage.

Hon. B. C. BOARDMAN (Chelsea) — It is always a delight to follow Mr Furletti in debates such as this. I find his expertise enlightening when he explains and interprets complex aspects of the law. He gives a layman's perspective on legal matters that some of us less learned members of the house have some difficulty with from time to time. In debates such as this Mr Furletti has always demonstrated an admirable knowledge of the law. However, in following him it has historically been my responsibility to put a bit of practicality into the debate, and I once again find myself in that situation.

Before commencing I make it clear to the house that I believe bills such as this should be debated carefully and with the utmost compassion, sincerity, professionalism and maturity.

As legislators we have a responsibility to maintain a pragmatic view and not become bogged down in personal philosophies and ethics when dealing with sensitive community issues that have wide ramifications for the community. Ms Romanes said that I inadvertently sniggered during the contribution of Dr Ross who, when referring to the history of these matters, was talking about the role of councils and councillors under previous legislation and spoke about a personal experience in the City of Moorabbin. My interjection was that councillors still have a role to play. I am sure Ms Romanes would be aware that under section 36A(2)(c) the authority can:

> seek advice and information on the application from any other person or body or source it thinks fit.

That allows councils, councillors as individuals and other members of the community who participate in the process to act as advisers to give their personal and professional opinions on applications. Ms Romanes should not misinterpret me; it was a light-hearted remark on the more historical aspects about which Dr Ross was talking.

Ms Luckins explained the history and difficulties police had in enforcing the 1986 prostitution act and the difficulties that occurred between then and 1992. At that time I was a member of the police force and had incredible difficulty enforcing the provisions of the act. Some of the provisions did not receive royal assent and some did. Because of that it was difficult to get a precise judicial perspective or interpretation of the role police played. I remember investigating illegal premises in Dandenong Road, Windsor. A hearing was listed at the Prahran Magistrates Court that was to last for a couple of days but it lasted for a week because of legal interpretation.

Police did not have the power to enter brothels at that time but council bylaws officers did. In this particular example we had a sworn affidavit to search the premises but as a safeguard we engaged the assistance of the then City of Prahran bylaws officers to come with us because they had power under the act to enter brothels any time they suspected particular operations were going on. That is one historic anecdote where the legislation passed its use-by date. The Kennett government introduced the Prostitution Control Act to provide a clear, precise and regulated framework under which the industry can act. The origins of the bill are well known. The second-reading speech states that:

> The Supreme Court's decision has, however, made it clear that these limits do not apply to decisions to amend brothel permits granted before part 4 commenced on 14 June 1995.

That relates to section 74(1)(d) of the act, which states:

> unless there exists special circumstances as set out in guidelines issued by the Minister administering the Planning and Environment Act 1987, more than 6 rooms in the proposed brothel are to be used for prostitution.

It is extraordinary that today we are applying increasing scrutiny in the legislative processes where in some situations it comes down to the issuing of guidelines by particular ministers. I can remember guidelines issued by a former small business minister about residential tenancies. It was a difficult and complex issue for small business retailers when it came to deciding the measurable area for an individual lease. This legislation is similar. The minister has the discretion to deal almost on a case-by-case basis with whether a brothel can have more than 6 rooms depending on the special circumstances. I welcome the bill, which sets the matter in concrete and does not require further clarification.

Once the bill receives royal assent it will be six rooms and no more. However, it provides a further complication and contradiction because the principal act does not mention the number of sex workers, sexual services or clients who can be seen in one room at one particular time. It is a realistic possibility because a number of licensed brothels in Melbourne have larger rooms that cater for groups. I have heard that football clubs, cricket clubs and other sporting bodies avail themselves of such facilities for group functions, for want of a better description. Although the bill limits the number of rooms premises can have, one must explore what actually occurs in those rooms. I am sure the minister would appreciate the point I am making. A degree of clarity is required because a number of sex workers could be working in a particular establishment and see a number of clients at the same time in one room, and that goes against the principal objectives of the act.

Section 4 states:

> The objects of this Act are —
>
> (a) to seek to protect children from sexual exploitation and coercion;
>
> (b) to lessen the impact on the community and community amenities of the carrying on of prostitution-related activities;
>
> (c) to seek to ensure that criminals are not involved in the prostitution industry;
>
> (d) to seek to ensure that brothels are not located in residential areas or in areas frequented by children;

(da) to seek to ensure that no one person has at any one time an interest in more than one brothel licence or permit;

(e) to maximise the protection of prostitutes and their clients from health risks;

(f) to maximise the protection of prostitutes from violence and exploitation;

(g) to ensure that brothels are accessible to law enforcement officers, health workers and other social service providers;

(h) to promote the welfare and occupational health and safety of prostitutes.

Those objects protect the community, sexual workers and clients. In the 21st century the sex industry is booming and will increase commensurate with demand. Our responsibility as educators and law-makers is to provide an appropriately targeted and responsibly regulated framework in which the industry can operate within those three principles. I find it difficult to understand that in this modern age some in the community are still looking for a scapegoat and consider the industry to be evil.

Prostitution exists in quite alarming abundance, as evidenced by the statistics quoted by Ms Hadden and Mrs Luckins. Law-makers and members of Parliament must remember that the industry continues to exist and that it must be regulated properly. Mrs Luckins spoke about the 1999 amendments to the principal act that dealt with the vexed subject of explicit sexual entertainment. The Agenda supplement of the Sunday *Age* of 12 March 2000 contained a story about Raymond Bartlett, a colourful character in the hospitality industry, and proprietor of the Goldfinger tabletop dancing establishment. He compared Melbourne with other cities. The article states:

> Try to open a strip club in Brisbane and you'd get your legs shot off, he says. Sydney — you wouldn't even try because it's sewn up. In Perth, they'd kill you. Adelaide? Touch and go. Only in Melbourne is the industry controlled so well, he says. No sir, there's no crooks in tabletop dancing here.

It is valid to compare the situation in Victoria with that in other states. One thinks of Kings Cross in Sydney, Fortitude Valley in Brisbane and Rundle Street in Adelaide.

Honourable members interjecting.

Hon. B. C. BOARDMAN — My previous occupation made me aware of competing interests! It used to be said that St Kilda was historically the area for prostitutes, but dramatic changes have taken place in modern St Kilda. The former St Kilda City Council and the present City of Port Phillip have improved the amenity and surrounds of the neighbourhood. That does not mean to say the area has no problems. Its problems must be addressed.

The incidence of street prostitution, particularly under-age street prostitution, is alarming. Some of my former colleagues who work in the Victoria Police vice squad frequently speak to me about prostitution activities there. They say the situation goes quiet for some time because of police operations, but the situation gets out of control when the police presence is not obvious. The problem of street prostitution falls clearly within the objectives of the legislation.

Some may think street prostitution is a thing of the past. We have clearly regulated controls so that people who want to avail themselves of sexual services are readily able to do so. The incidence of street prostitution will be a challenge for the community and future governments because of the degree of its legality and its exploitation. I would like to see it eliminated or, at least, an alternative situation reached.

The community must be aware that the industry does exist and that, unfortunately, it is a growth industry. We must ensure the framework for action is responsive and reactive. I welcome debate on the bill. A diverse range of views has been put. I appreciated the alternative views put to the house because the debate has provided me with food for thought on the issue. The bill is another step forward in trying to make the industry more regulated. For the various reasons I have outlined, further exploration of the controls may be required, but at this stage I can think of no reason for opposing the bill.

Hon. ANDREA COOTE (Monash) — The intention of the Prostitution Control (Planning) Bill is to use planning processes to control the location and size of brothels. As the Honourable Cameron Boardman mentioned, my electorate includes St Kilda, which is regarded as a relevant area for prostitution.

I remind the house that more than 60 000 men visit Victorian prostitutes each week. The trade has an annual turnover of more than $360 million, according to the *Age* of 1 March 1999. Not all the 60 000 men use the facilities in Monash Province, but an enormous number of prostitutes operate in the Glen Eira Road, St Kilda East area, as the Honourable Cameron Boardman suggested.

One legal brothel in my electorate is the Daily Planet opposite Elsternwick railway station. It is the benchmark in brothels. The management has introduced innovations such as an open day, although I

have not taken the opportunity to visit it, and there was a suggestion that the business be listed on the stock exchange. However, I suspect the idea got no further than the discussion stage. Before the June 1995 legislation a larger number of street prostitutes operated in my electorate. Watching people coming and going from the Daily Planet is an interesting exercise. I look forward to visiting it on its open day, after which I will share my experience with the house. Brothels can also be found in Park Street, South Melbourne; St Kilda Road; and York Street, St Kilda.

The Prostitutes Collective of Victoria (PCV) is located in my electorate. The professionals in the collective do good work. I have nothing but praise for the way they tackle the industry and give some sense of regulation to it. Each week the collective produces an A4 sheet entitled 'The Ugly Mug' for street workers in St Kilda. It lists the clients who may either bash or attack the street workers or flee without paying for services rendered. It makes interesting reading and is freely available. I commend the PCV for that initiative.

A large amount of illegal prostitution occurs around Grey Street, St Kilda. Many male prostitutes operate in and behind the Safeway store car park also, but I will restrict my contribution to reference to female prostitutes. More than 60 street girls operate nightly in that area; many are quite young. About six weeks ago I had the opportunity to travel with the Inner and Eastern Health Care Network minibus that dispenses condoms and lubricants as well as injections. It operates twice a week up and down Grey Street and nearby areas from 9.30 p.m. until about 1.30 a.m. It dispenses to male and female prostitutes and to transvestites.

The dispensing of the condoms and lubricants sends a message to the girls about the need for healthy sexual practices. I commend the health care network for its excellent service that provides contact with street workers on a regular basis. The girls know that twice a week somebody will be there to look after them. I had not realised that the handing out of condoms and lubricants went with the job — but there I was, doing just that!

The most interesting aspect of that experience was the girls, who looked for a hot cup of Milo and a chat. The girls wanted to chat and make a connection with the people who operate the service. Many girls were heroin addicts who use prostitution to support their habit and those of their boyfriends. I found the fact that the girls looked forward to the hot Milo and a chat to be moving and quite humbling. Previously I had thought of a hot cup of Milo only in relation to my tucking my children into bed when they were young.

I remind the house that society's street prostitution problem continues to exist. When I was speaking to the street workers one girl said that before she started her night's work she had to get drunk to get through the night. She also said that that day she had been to 15 parlours in the area and had been rejected because she was overweight, which I found fairly salutary. It was an extraordinary experience, and as I said I commend the people on the bus for the work they do. The sense they give to young prostitutes that someone will be there to help them be safe while they work in dangerous situations on the streets is worth while.

On the other hand, I have a constituent who is the neighbourhood watch representative in Grey Street. He is worried that the bus could bring with it all sorts of people who could cause concern to the local residents. Living in Grey Street, St Kilda, would be difficult at the best of times — and being the neighbourhood watch representative would make it even more difficult. It is important to take his views on board because the residents have been there for some time, in many cases just as long as many of the prostitutes.

Blanche Street, St Kilda, which is not far from here — probably 5 kilometres as the crow flies — is locked off every single night by its residents. I am not talking about Amsterdam or New York, I am talking about St Kilda, Victoria. Any honourable member who drives up or down St Kilda Road can see that that street is locked off at 7 o'clock every night and re-opened at 6 o'clock in the morning, and in the meantime it is open only to local residents. They do that to protect their street because they do not want illegal prostitutes and clients travelling up and down it.

Earlier mention was made of the case of *Zariah Beaufonte v. City of Yarra and Adrian and Jacqueline Carlos*. Because of what happens in my area I have some sympathy for both sides of the case, from the prostitutes who are providing a service right through to the neighbourhood watch representative who is looking at how what goes on affects the residents. The tribunal found that:

> … a brothel in another street or at some distance from your dwelling would normally be an anonymous use and an ordinary person passing the brothel going about their normal daily tasks would hardly be aware of its existence. On the other hand if a brothel is located only a matter of metres from your dwelling, over time one would expect to become reasonably familiar with regulars moving to and from the premises … and … have dealings with the users and occupants of the brothel in relation to matters such as car parking etc …

Allowing operators to increase the size of their brothels from 6 to 20 rooms would greatly increase the numbers

of people going to and from such establishments. Allowing an operator to do that without ever having to apply for a planning permit is certainly something I disagree with.

As I said, two issues that arise in my electorate are the illegal prostitutes and the concerns of residents, which must certainly be considered. Indeed, the interests of all the constituents of my electorate must be considered. I support the bill because allowing the number of rooms in brothels to be increased arbitrarily to more than six would certainly cause grave concern. I have much pleasure in commending the bill to the house.

Motion agreed to.

Read second time.

Third reading

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

That this bill be now read a third time.

I thank the Honourables John Ross, Dianne Hadden, Maree Luckins, Glenyys Romanes, Carlo Furletti, Cameron Boardman and Andrea Coote for their contributions to the debate on a bill that ensures that existing brothels cannot increase their number of rooms and that new brothels will be limited to six rooms.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

Sitting suspended 6.25 p.m. until 8.02 p.m.

FLORA AND FAUNA GUARANTEE (AMENDMENT) BILL

Second reading

Debate resumed from 1 March; motion of Hon. C. C. BROAD (Minister for Energy and Resources).

Hon. A. P. OLEXANDER (Silvan) — I contribute to debate on the bill with mixed feelings. As a new member in the house it is an honour to lead the opposition's response to the bill, but it is disappointing from the perspective of what the bill entails.

The bill makes no substantive changes to the Flora and Fauna Guarantee Act; all of the changes outlined are purely administrative in nature. It is clear that the most significant changes will be to bring the act into line with current parliamentary practice — that primary legislation should not be amended by subordinate legislation. That is a principle all honourable members accept, and for that reason the opposition will not oppose the bill.

Currently the Governor in Council may list flora and fauna species, taxa, ecological communities and potentially threatening processes in three schedules to the act after a ministerial recommendation to do so. The bill will not have the effect of altering the existing processes in any way other than to replace schedules 1, 2 and 3 of the act with statutory lists, which are not strictly considered to be part of the act but attachments to it. That is really what the bill is all about. In all other respects the ability of the Governor in Council to add to or amend or repeal the contents of the items in the schedules remains unchanged.

Schedule 1 will become list 1 and will include items considered to be threatened species or taxa which therefore need to be protected. Schedule 2 will become list 2 and will include processes considered to be potentially threatening to protected species. The schedules remain fundamentally unchanged.

Therefore in the view of the opposition the bill is largely inconsequential to the operation of the act it seeks to amend, but it must be stated that the act itself is not inconsequential. It is an important act that is a cornerstone in preserving Victoria's richly biodiverse natural environment.

The Flora and Fauna Guarantee Act, which was proclaimed in 1988, provides the main legal framework for the protection of Victoria's biodiversity, including protected native plants and animals and ecosystems and ecological communities on land and in water. It identifies many industrial planning and land usage processes that are detrimental to biodiversity and the preservation and maintenance of sustainable ecologies.

The act was modelled on the United States Endangered Species Act 1973, and when it was introduced it was hailed in Australia as pioneering legislation. For that reason it was introduced with bipartisan support.

Essentially the act provides a framework for both community and government action aimed at preserving Victoria's natural environment. That is an important issue because the community in partnership with government is promoted as one of the driving forces behind the preservation of our natural environment.

The act defines a process by which the general community and the scientific research community can

identify threatened flora and fauna and can also identify threats to flora and fauna. It established a scientific advisory committee to consider nominations for the schedules — soon to be the lists — the members of which are appointed by the Minister for Environment and Conservation under the relevant guidelines. The act also sets down the way in which the advisory committee can make specific recommendations to the minister, and it is important for the minister to act on expert scientific advice.

The act also provides for a process of community consultation, which is an important issue when species and taxa or threatening processes are identified. Many communities are affected by those identifications, and it is appropriate that there is a process of consultation.

The act also enables the minister to accept or reject the recommendations made by the advisory body and to refer the recommendations, when approved, to the Governor in Council for subsequent listing.

The act is also important in that it sets up the process through which environmental action plans are written. It is one thing to nominate and identify threatened species or processes that threaten the biodiverse nature of Victoria's ecology, but it is another to institute those action plans on the ground to ensure the protection of the species and taxa. The act sets out the appropriate framework.

Important powers are conferred by the act. Critical habitat determinations can be made, public authority management agreements can be determined and interim conservation orders can be made.

Given Minister Garbutt's recent Pontius Pilate-like performance regarding Victorian regional forests agreements, it may have escaped her attention that the act the bill seeks to amend is in itself contentious in nature. The amendments in the amending bill are not contentious, but the Flora and Fauna Guarantee Act 1988 is. Both supporters and detractors of the bill have serious concerns about the act itself.

It is interesting that the Minister for Environment and Conservation has decided not to tackle any of those concerns in the amending bill. This being the first piece of environmental legislation to come forward from the Bracks government I should have thought the minister might have taken up the opportunity to do so. Her silence in the area is deafening.

The minister seems to be very happy to present a bill that makes inconsequential amendments to the act, after years of having criticised the act and the previous government's administration of it. There is cause for the opposition to respond with some degree of cynicism to the fact that this bill is the one finally presented, Labor having achieved office. The minister needs to explain how she could possibly think the bill will make any real difference to the way in which the act she has criticised at length operates and is administered. The minister also needs to explain how she believes the amending bill addresses some of the fundamental issues of concern in the act.

For instance, I need to know what possible impact the bill could have on the basic philosophy underlying the act, which elevates conservation objectives over and above all economic and social objectives and rights. Does the minister have a plan to balance those rights in the future? The minister needs to answer that question. How will the bill provide for any greater community consultation than already takes place? It is important that that consultation process be at the forefront of the minds of those in government. The bill clearly demonstrates that it is not.

It is the livelihoods of those in regional and rural communities that are often affected directly by determinations in the act regarding the listing of species. The minister needs to identify how she plans to more readily bring those communities into the consultation process.

The minister also needs to explain by what mechanism the amendments address the concerns of the environmental lobby that the act fails to provide sufficient legal protection for listed items that exist on private land. The issue has been raised repeatedly by the environmental lobby in Victoria and simply is not addressed by the amendments.

Environmental groups are very concerned about one last issue relating to the act — namely, the conferring of third-party rights, enabling individuals in the community to enforce the objectives of the act in a similar manner to the way in which rights are available to planning development objectors. Third-party rights do not exist at the moment. The environmental lobby is calling for them. The minister needs to explain her position on the conferring of third-party rights. Quite clearly she has not done so.

The bill does not attempt to come to grips with any of the fundamental issues that surround the act and its operations in Victoria. It is greeted by many groups that have raised concerns over the years with some degree of disappointment. It is patently clear to the opposition that the minister and the government do not have a commitment to addressing the real issues the Flora and Fauna Guarantee (Amendment) Bill raises or

environmental policy in Victoria in general. The opposition does not believe the minister has any intention of implementing an environmental policy that could even generously be described as a reform policy.

I greet this inconsequential amending bill with a degree of disappointment. The minister has failed to grasp an opportunity to nail the colours of the government to the mast regarding environmental reform in Victoria through the government's introduction of its first piece of environmental legislation. After seven years in opposition and having made criticisms of the way the former government ran environmental policy, one would have expected more than this.

Opposition members for their part do not insist that the minister or the minority Labor government adopt any specific environmental agenda, but what we cannot understand is, now that Labor has power and the amending bill being the first demonstration of the government's legislative program, why the minister and government seem to have no agenda and no opinion at all in this area, other than steady as she goes and a hands-off attitude. That is the big question on the minds of opposition members.

Perhaps that is why the ALP election policy on flora and fauna biodiversity almost wholly comprises criticisms of the former government, with little proactive information on what Labor will do when it comes to office. I will quote the four paragraphs of ALP policy in the area. Three paragraphs are devoted to criticising the previous government; one is not. Labor's environment policy on flora and fauna protection, issued in September 1999, states:

> Labor will ensure the survival of threatened species by adopting the dual strategies of:
>
> > Targeted programs to recover numbers amongst threatened species.
> >
> > Protection of natural habitats.
>
> Labor will properly enforce the Flora and Fauna Guarantee Act 1988 and provide resources for recovery programs for listed species.

That is it. There is no more. One would have expected that after seven years there would have been more — there is not. Again the opposition would not presume to insist that the Labor Party adopt every aspect of Liberal Party environmental policy during its time in government, but opposition members and Victorians who care about biodiversity insist that the government establish an agenda of some type for policy in Victoria. It is clear the government is failing that test.

It is also a sad indictment of the minister and her government that in the address to Parliament by the Governor, Sir James Gobbo, in October last year only three short paragraphs were devoted to environmental issues. Again that is indicative of the government's lack of vision and lack of an agenda in the environment area. It would seem that, despite what the Governor said in his speech, the government is demonstrating through the bill that it is happy to let another important opportunity pass by — an opportunity to live up to the sentiments expressed on the preservation of the environment.

I do not think honourable members opposite should make the mistake of thinking those are just the views of the opposition; they are not. On the contrary, many in the community and in the environmental lobby in Victoria are beginning to reach exactly the same conclusions. Some have reached those conclusions already and have been prepared to say so publicly. The theme continually emerging in consultations with community, environment and industry groups on the act and other environmental issues is that the Minister for Environment and Conservation seems to be out of her depth in the environmental portfolio. She is having great difficulty managing the administration and running her department.

Hon. B. C. Boardman — That is so unusual for Labor ministers!

Hon. A. P. OLEXANDER — It is disappointing feedback. Opposition members also hear constantly that the minister is developing a reputation for being big on talk but not on action. In many places the perception is developing that the minister appears to be ready to jettison Victorian jobs while at the same time allowing a decline in the biodiversity of the state of Victoria. Usually it is a choice of one or the other, but a proactive policy can avoid that situation. People are not accrediting the government or the minister with developing policy in the area. I quote an *Age* article by Claire Miller dated 2 March in which she sums up the feedback the opposition has been receiving from the community. The article is entitled, 'No, minister — not good enough':

> Sir Humphrey Appleby would be proud. In four short months, Labor's well-meaning policy to put forestry on an ecologically sustainable footing has been sidelined, leaving the bureaucrats who ran the show during the Kennett years to get on with business as usual.
>
> The fact that business as usual in the past six weeks has managed to enrage unions, sawmillers, conservationists, local government and community groups has not been enough to jolt the new minister, Sherryl Garbutt, into asserting her authority.

> It is an extraordinary metamorphosis for a politician who before the September election was saying all the right things about cleaning up the deeply flawed commonwealth–state regional forest agreements.
>
> …
>
> The first test of Labor's commitment came in mid-January when the Department of Natural Resources and Environment put out consultation papers outlining the likely shape of the Gippsland and western Victorian forest agreements.
>
> Remarkably, they contained not a hint of Labor's reforms, but set the scene instead for massive timber job losses, biodiversity decline and continuing tension in the forest.

The article by Claire Miller continues:

> Garbutt cannot pretend the situation is merely an unfortunate hangover from past regimes for which she bears no responsibility. She has been in office for more than four months —

now nearly six —

> time enough to turn any ship if the captain is in command.
>
> Four months ago the minister had time and plenty of community goodwill to help her do the job of reforming Victoria's forest management system. Now, unfortunately, she has neither.

That is indicative of what is consistently heard in the Victorian community, particularly the environmental community.

The amendment bill makes it patently clear that Labor is prepared to offer the environmental community of Victoria only empty platitudes, while the Liberal Party is prepared to offer real policy solutions. It should never be forgotten that the excellent national parks system in Victoria was put in place by the Hamer Liberal government. The Victorian environmental protection legislation is a constant reminder of the state Liberal Party's efforts in the area. That is a big environmental reform and an agenda with vision — something this government is not demonstrating.

Between 1992 and 1999 the coalition government extended the national parks system by some 25 000 hectares. It established Parks Victoria as a single agency dedicated to world best practice in the protection and management of Victoria's network of natural wilderness, state and regional parks, bays and inlets — again, a huge visionary reform. I contrast that with this government's lack of an agenda.

It should also not be forgotten it was the Kennett government that created new national parks in the state: Yarra Ranges, Terrick Terrick, Chiltern, French Island and Lake Eildon. It took a stand and did something new. It also protected Victoria's box ironbark forests and woodlands. Such steps required community consultation, leadership and vision. All the moves in the environmental area of previous Liberal governments contrast favourably with what the state has received from Labor to date, and from the Minister for Environment and Conservation, who cannot summon up even the most rudimentary policy initiatives to address the compelling environmental questions facing Victoria.

As the purely administrative nature of the amendment bill demonstrates, the minister has lost the plot on environmental reform. If the government cannot help her find her reform agenda, perhaps it should think seriously about finding another minister.

Hon. G. W. JENNINGS (Melbourne) — I am pleased to enter the debate on an amendment to legislation introduced by the previous Labor government in 1990 and applauded by the opposition this evening as world-leading legislation. The legislation has not previously been amended.

The amendments provided for in the bill will ensure that a substantive piece of legislation will not be amended inappropriately by subordinate legislation. It provides a listing process that is entirely under the control of the Governor in Council. It also provides for the maintenance of a register through the Governor in Council. The Scientific Advisory Committee will consider any nominations that fall under the act and advise the minister, who will make recommendations to the Governor in Council. The listing mechanism has been applied inappropriately over the past few years. The bill will rectify the situation and restore some reliability to the legal framework that applies to the protection of flora and fauna in Victoria. The act provides the legal framework necessary to do what is needed within the state's powers to guarantee ongoing biodiversity and ecological sustainability in the state.

The substantive legislation introduced in 1990 has a number of key elements, including provision for: first, the listing of threatened species, ecological communities and potentially threatening processes; second, the preparation of action statements and management plans to protect listed items; third, the determination of critical habitat, the process by which the geographic location and circumstances of threatened species may exist; fourth, the application of interim conservation orders, which are measures designed to take urgent action to protect species; fifth, the preparation of the longer term flora and fauna guarantee strategy that applies in both a local and statewide context; and sixth, it enshrines the importance of the role of the Scientific Advisory Committee, the body described in and constituted under the act, and

upon which the government and Victorian community rely to determine the nature and threatened status of flora and fauna species in Victoria and make recommendations to the government on the appropriate course of action to protect such species based on scientific evidence from its well-established background.

Under schedule 2 of the current act, 282 taxa and 23 communities are listed as threatened. Once the bill passes they will be included on a listing to be maintained through the Governor in Council.

Hon. A. P. Olexander interjected.

Hon. G. W. JENNINGS — The interjection from the opposition member prompts me to refer to a division of view between the sides of the house on activities that will occur under the legislation. Mr Olexander seems to have ignored the fact that there was a Sleepy Hollow period in the application of the act which saw the Scientific Advisory Committee not meet for 14 months and which led to a significant backlog in items listed under the act. A further 51 items have been endorsed by the Scientific Advisory Committee for listing, comprising 38 taxa, 10 communities and 3 potentially threatening processes.

The bill will enable the government to ensure that such items are appropriately listed, that the Sleepy Hollow regime, or dead hand, that has applied to the application of the act will no longer exist and that the backlog will be cleared. The government will use the legislation to reactivate and revive the activities of the Scientific Advisory Committee, both its listing processes and its vital advice on action statements to protect species. The government will ensure the committee does not languish under the administration of the act in the way it has in the past two or three years.

The fundamental reason for the introduction of the bill was that the application of the principal act has been paralysed since December 1995, following the inappropriate listing and publication of a species. The subsequent formal notification of the application of the act and the listing that occurred under it came to the attention of parliamentary counsel who advised the government that all listings that have occurred since that time may be subject to appeal. On that basis the government has revised the status of all listings that have occurred under the principal act since 1988. The bill will guarantee the legal standing of everything listed under the act since 1988.

The government was advised that its ability to intervene should a species be threatened would be in question. It is a significant issue, so the opposition should not be smug and complacent when referring to the amendments or spend much time on its credentials in government as compared with the former Labor government which introduced the principal act and made a significant contribution to the protection of national parks and the environment. The former Labor government was acknowledged at the time as being at the leading edge of environmental protection both nationally and internationally. I will be gracious and acknowledge that the former Kennett government introduced some positive initiatives, so the opposition should acknowledge with some degree of generosity how the principal act will be enacted and revived by the incoming Bracks Labor government.

The bill does a number of things. It enables the government to clarify the standing of listings and information available to the Victorian community. It will clarify some of the processes that lead to listings under the principal act. Under the principal act there was a lack of time regarding ministerial action after receiving advice from the Scientific Advisory Committee. The bill specifies that the minister is required to proceed with the listing 30 days after receiving the advice from the Scientific Advisory Committee. That is a positive contribution and runs counter to the dead hand application of the act that occurred over the past few years.

Proposed section 67, inserted by clause 10, sets out the obligations and the requirement of the minister to ensure the listings are freely available for inspection by the Victorian community at the offices of the Department of Natural Resources and Environment. The provision will enable Victorians to consider and receive advice on the relative standing of listings under the provisions of the act, as well as advice about how to act on interim awards or action statements that may be applied. It will give greater access to information and departmental officers will be available to provide advice.

It is the government's intention that all material will be freely available on the department's Internet site. Victorians will have unfettered access to all relevant information and will not have to go through the detail of legislation or schedules. Material will be presented in a user-friendly way to enable Victorians to understand clearly and identify species that have been listed under the act and the various mechanisms that are in place to protect those species.

Earlier speakers said that the provisions of the bill will not apply to private land. I assure the house that the bill does apply to private land and once critical taxa have

been determined on private land the act will come into force. The other regimes by which flora and fauna will be protected relate to native education and various planning controls that apply to the private use of private land. A suite of measures apply to the protection of flora and fauna on private land. The government is confident about the application of the act and believes it has maintained the integrity and spirit of the principal act. Listings that have been made since 1988 will be included in a sound legal framework under the auspices of the principal act so they will be maintained appropriately. The initiative is supplemented by the provision of advice from officers of the department. The commitment of the Bracks Labor government is clear and demonstrable. There should not be contestable issues either in this place or in the community about the environmental bona fides of the government. The government has every confidence that it will fulfil its obligation to protect the flora and fauna of the state now and in the future.

Hon. N. B. LUCAS (Eumemmerring) — In contributing to this debate I note Mr Olexander's contribution, that although the opposition does not oppose the amendments to the Flora and Fauna Guarantee Act, it notes that the Minister for Environment and Conservation is not performing well. I refer the house to the article in the *Age* which is critical not only of what the minister has done, but also of what she has not done. I strongly support the views expressed by Mr Olexander in his good speech.

In considering the bill I had some difficulty getting my head around the idea of amending legislation of a superior nature by imposing an inferior practice. The bill amends an unfortunate situation that arose in previous years despite, I assume, the best of intentions. I note that at present the Governor in Council has the ability to amend a schedule to the Flora and Fauna Guarantee Act. That is now seen to be inappropriate, so the bill proposes that the items that have previously been included in schedules can be included in the new lists without their having to go through a further recommendation process. I am happy not to oppose that provision. I note that the bill contains a process for ensuring that future additions to the list go through a full scientific investigation process.

Page 13 lists as part of schedule 2 flora and fauna described as previously recommended taxa and communities which may be included on the threatened list without further recommendation. One of those is the helmeted honeyeater, which I will enlarge on in my brief contribution.

The helmeted honeyeater was adopted in 1971 as one of the two faunal emblems of the state of Victoria, the other being the Leadbeater's possum. I am interested in the future of the helmeted honeyeater because it has a habitat in my electorate.

Hon. G. R. Craige — And mine.

Hon. N. B. LUCAS — It also has a habitat in the electorate of the Honourable Geoff Craige. Sadly, the helmeted honeyeater lost a habitat in the Cardinia Creek between Berwick and Beaconsfield Upper as a result of the 1983 Ash Wednesday bushfires. Over the years the people of Berwick and Beaconsfield Upper have taken the bird to their hearts. It was added to the coat of arms of the former City of Berwick as the result of an idea adopted by Mr Norman Beaumont, who came up with the design. The helmeted honeyeater is depicted in a stained glass window in the Berwick Anglican Church, where I am pleased to worship each Sunday; and it also appears on the logo of the Berwick Arts Council.

In 1989 only about 50 helmeted honeyeaters were left in the wild. Since that time, when the state of Victoria took the bird to its heart, a good news story has unfolded, which I will briefly relate to the house.

The story has unfolded as a result of the work done over the years by the various Victorian governments, various government departments and the Friends of the Helmeted Honeyeater. That organisation has as its chief patron His Excellency Sir James Gobbo, the Governor of Victoria. The Honourable Geoff Craige and I are members of the Friends of the Helmeted Honeyeater, and I note that Mr McArthur, the honourable member for Monbulk in the other place, has been a supporter for many years. The Friends of the Helmeted Honeyeater have over 300 members. Anyone who wishes to join will find it easy to do so. Membership costs $10, and I have copies of the application form with me tonight for any honourable member who wishes to join.

Over the years the Friends of the Helmeted Honeyeater have undertaken a number of practical measures to improve the bird's future. They include removing exotic weeds and trees; propagating the plants that the bird lives in or feeds on; working in cooperation with Parks Victoria and the head ranger, Ian Roach, who is in charge of revegetation works; extending the Yellingbo reserve, where the bird lives; improving the connectivity of the bird's flight paths along the creeks and valleys in the Yellingbo area; and working to educate the community about this lovely bird. I have a picture of it which honourable members may wish to look at. The Friends of the Helmeted Honeyeater have

certainly done an excellent job over the years and I congratulate them on their work. I offer them my support and hope they continue the work they are doing to increase the numbers of helmeted honeyeaters.

Various governments have extended the land available for planting and, as I said, increased the area of the Yellingbo reserve. That has been worth while because it has provided a bigger habitat that better suits the bird. Importantly, a number of years ago a captive breeding program was established at the Healesville Sanctuary. That program, which is overseen by Mr Ian Smales, has been very successful, resulting in a large number of birds being released back into the wild while others have been used for display at the sanctuary. The number of birds has increased from around 50 in the wild in 1989 to more than 120 birds in the wild today, and there are around 40 — 15 breeding pairs and 11 offspring from the previous breeding season — in the captive breeding program at the Healesville Sanctuary.

The breeding program has been so successful over the past four years that the people involved, working with Parks Victoria, are now releasing some birds in the Gembrook area. If a catastrophic bushfire were to go through the birds' only external location, the lot could be lost, so it is important to establish another site where birds can be released into the wild. I hope that action will result in another colony being built up in the Bunyip State Park at the back of Gembrook.

The new display at the Healesville Sanctuary was funded by a significant contribution from Yarra Valley Water, and I am happy to give that organisation a plug. All Victorians can now go along to the Healesville Sanctuary and enjoy looking at three breeding pairs of the state's faunal emblem sitting in an enclosure surrounded by plenty of trees and bushes in their natural environment.

In recent years the Yellingbo Creek has had problems with siltation, which is causing vegetation to die off. The four hydrology studies that have been conducted in the area have recommended the undertaking of a number of works to stop the dieback and improve the habitat. Those works are presently being undertaken with the aim of bringing the situation under control.

To sum up, I say well done to the Friends of the Helmeted Honeyeater for the work they have done over the years. I encourage them to continue what is a worthwhile project.

I say to the minister, to those who advise her and to members of the department that provide her with speaking notes, advice and support that this project continues to require expertise, advice and, most importantly, funding. There are areas along Yellingbo Creek and in Gembrook and other areas where colonies of the pretty helmeted honeyeater can be established. I urge the minister to do something positive for Victoria by providing funding not only for the day-to-day things that need to be undertaken but also by providing more land in the areas identified as being able to increase the viability of the habitat of the helmeted honeyeater. I am pleased to see that the species is included in the bill as a species worth preserving. I urge the government to give every consideration in the future to improving the viability of this wonderful bird.

Hon. JENNY MIKAKOS (Jika Jika) — I support the Flora and Fauna Guarantee (Amendment) Bill, which amends the Flora and Fauna Guarantee Act. The act provides a legal and administrative structure to promote the conservation of Victoria's native flora and fauna and provides procedures for the management of potentially threatening processes, such as the introduction of exotic organisms into Victorian marine waters.

The bill's main provisions are clauses 6, 7 and 12, which relate to the manner in which species, subspecies or threatened species are covered by the provisions of the act. Section 5 of the act currently allows for the Governor in Council on recommendation of the minister and by order published in the *Government Gazette* to add, vary or delete items in schedule 1 of the act.

Schedule 1 relates to flora and fauna that are not to be considered, and the only item since the act's enactment remains human disease organisms. The effect of section 5 is to allow for schedule 1 to be amended by subordinate legislation.

I am pleased to support the bill in my capacity as a member of the Scrutiny of Acts and Regulations Committee. Under section 4D of the Parliamentary Committees Act the Scrutiny of Acts and Regulations Committee is required to report to Parliament on any bill that insufficiently subjects the exercise of legislative power to parliamentary scrutiny or inappropriately delegates legislative power.

I understand the Scrutiny of Acts and Regulations Committee has on many occasions in the past commented on bills adopting what are known as Henry VIII clauses — that is, clauses in bills that allow an act to be amended by subordinate legislation.

The chairperson of the Scrutiny of Acts and Regulations Committee, the honourable member for Werribee in the other place, commented adversely about Henry VIII clauses. Unfortunately, in the present case the Flora And Fauna Guarantee Act was enacted in 1988 before the Scrutiny of Acts and Regulations Committee was established. However, clauses 6 and 7 of the bill seek to rectify that deficiency.

Clause 6 will amend section 5 of the act so that the Governor in Council may, on the recommendation of the minister, and by order published in the *Government Gazette* specify in a list a taxon — that is, a species or subspecies — that constitutes a serious threat to human welfare. That will be specified in a list rather than in a schedule to the legislation.

In a similar way clause 7 will amend section 10 of the act, which currently provides that the Governor in Council may, upon recommendation of the minister and by order published in the *Government Gazette*, add, amend or repeal an item in schedule 2. Schedule 2 lists the taxa or communities of flora and fauna that are threatened. Currently 282 taxa and 23 communities are listed as threatened. Clause 7 will amend section 10 of the act to provide for the Governor in Council, on recommendation of the minister and by order in council in the *Government Gazette*, to specify on a list any taxon or community of flora and fauna that is threatened, and to amend or repeal such list. New section 10(2) will adopt the same process for adding, varying or repealing potentially threatening processes from a list rather than by amendment to schedule 3, which currently lists 22 potentially threatening processes.

The bill makes no change to the process whereby the minister may make a recommendation to the Governor in Council only after considering a recommendation of the Scientific Advisory Committee established under section 8 of the act. That committee comprises scientists who are eminent in their field. The bill will not change the processes by which the committee first publishes a preliminary recommendation in the newspapers and seeks public comment.

Clause 9 does not change the process but is merely a clarification that the minister is required to make a decision within 30 days. Clauses 11 and 12 ensure that those items listed in schedules 1, 2 and 3 of the act at present will remain in those schedules without having to go through procedural registration required of new items.

Proposed section 72 will also ratify previous action statements currently in force. In that respect, I note the comments made by the Honourable Neil Lucas about the helmeted honeyeater. Action statement 8 says that in 1989 under the previous Labor government an initiative was commenced to protect the helmeted honeyeater and funding was available for a three-year program. The bill seeks to make no change to action statements which are issued and which seek to provide for a management program in respect of items listed under schedules in the particular act.

Clause 10 provides that the excluded list, the processes list and the threatened list will be available for public inspection at departmental offices. The minister in her second-reading speech also noted that such lists will also be available for public inspection on the Internet.

The Honourable Andrew Olexander said the government was tinkering with the act. Chief Parliamentary Counsel raised concern about the appropriateness of the current provisions in the act, which allowed for it to be amended by subordinate legislation in July 1998.

If the aim was to amend the act, I remind the house that the previous government was considering doing what the bill achieves. I suggest the honourable member speak to some of the longer serving members of Parliament about that. I suggest he speak to a member of this chamber who is a member of the Scrutiny of Acts and Regulations Committee who will share the view about the appropriateness of Henry VIII provisions being retained in acts of Parliament.

For the reasons I have outlined I support the bill because it maintains the sound processes available under the Flora and Fauna Guarantee Act in conserving Victoria's flora and fauna while at the same time rectifying a deficiency with the act in relation to amendments made by subordinate legislation.

Hon. B. C. BOARDMAN (Chelsea) — I welcome the opportunity to contribute to debate on the Flora and Fauna Guarantee (Amendment) Bill, which is entirely administrative in content and the technical details of which have been described and discussed fully by Mr Lucas and Mr Olexander. The extensive consultation by particularly the shadow minister responsible for the bill with a number of community representatives lends support to the legislation and will improve its functionality. As has been mentioned previously, the opposition does not oppose the bill.

The schedule to the bill refers to the *Caladenia robinsonii*, the Frankston spider orchid. The Honourable Bob Smith would be aware that the Frankston spider orchid is indigenous to the Kananook

Creek area. I have seen it, and it is a wonderful native orchid that produces a bright flower. The orchid is indigenous to that part of the world and its protection is justified.

I mention the huge disappointment in my parliamentary career surrounding my previous membership of the all-party investigative Environment and Natural Resources Committee of which you, Mr Deputy President, were also a member. You may interject at any stage if you wish to comment on my contribution.

Prior to the last election the membership of that committee included the now Minister for Environment and Conservation in the other place, Sherryl Garbutt, who was the committee's deputy chair. She was a competent performer on the committee. The then chairman was the former member for Bulleen — no longer a member of Parliament — David Perrin. I am sure you, Mr Deputy President, would share my sentiments that David was an interesting and forthright individual who always took the interests of the committee to heart. Other members included the now Minister for Gaming in the other place, John Pandazopoulos; the Honourable Tayfun Erin, who is no longer a member of this place; the honourable member for Essendon in the other house, Judy Maddigan, who is now the Deputy Speaker; and the honourable members for Bellarine and Caulfield in the Legislative Assembly, Garry Spry and Helen Shardey respectively.

The committee was given a reference to inquire into the utilisation of Victorian native flora and fauna. That reference came on the back of the Senate inquiry held in about 1997 on the utilisation nationally of native flora and fauna. The former Minister for Conservation and Land Management suggested a number of reasons for the use of native flora and fauna as a basis for the committee conducting an inquiry. They were listed in the committee's discussion paper as:

(a) to provide an incentive to preserve a species and indirectly its habitat …

(b) because wildlife industries may offer opportunities to broaden the income base of struggling rural businesses;

(c) to explore the potential for utilisation as part of conservation programs of population control; and

(d) to build on existing Victorian industry sectors.

I found the opportunity to investigate those criteria informative and interesting.

The reason for my disappointment, as I said at the commencement of my contribution, was that due to the timing of the last election the committee's work was never formally tabled. The recommendations the committee could have made never received ministerial or departmental comment. I will not go into too much detail about that reference because I am aware of the sensitivities attached to untabled committee reports. However, a large amount of valuable information would have been available not only to this Parliament but also nationally.

I refer to some of the 12 recommendations of the Senate inquiry. Recommendation 4 states:

> That the federal government investigate ways in which private sector investment in biodiversity conservation can be supported and encouraged.

Recommendation 5 states:

> That state and federal governments together review all administrative procedures relating to commercial utilisation of wildlife in Australia with a view to increasing their efficiency so as to ensure that there are no unnecessary hindrances to industry.

That goes to the vexed issue regarding commercial utilisation of native wildlife. At the moment most utilisation of fauna particularly is done in a consumptive sense. The trading of animals is restricted so that the use of native fauna is consumptive and the use of flora is widely practised.

The statistics discovered by the Environment and Natural Resources Committee, which are not generally known but which were included in the committee's discussion paper, were:

> … at least 3140 native species of vascular plants …

exist in Victoria. They include:

> … 900 lichens; 750 mosses and liverworts; an unknown number of algae and fungi … 46 freshwater fish; 33 amphibians; 133 reptiles; 447 birds; and 111 mammals.

Nearly 600 species have been identified as threatened with extinction. Those statistics give reason for further strengthening legislation such as the Flora and Fauna Guarantee Act to ensure adequate resources are available to the department and other individuals involved in the conservation process to protect and conserve indigenous flora and fauna for the enjoyment of future generations.

I turn to biodiversity in the framework of ecologically sustainable development. In 1992 all Australian governments agreed to the establishment of a national strategy for ecologically sustainable development, known as the national ESD strategy. The ESD was the subject of much committee discussion in defining ESD and its principles.

The committee sought the assistance of various biological consultants to advise it on their definitions of environmental sustainability. It also held extensive consultations with the public, the department and interested conservation groups. The committee travelled nationally and internationally to talk about what it regarded at the time as some of the world's leading ESD practices.

The committee travelled to Zimbabwe. You, Mr Deputy President, were involved in that exercise and will remember some of the fascinating discussions and deliberations the committee held in Zimbabwe. One program with which the committee identified closely and which certainly captured its imagination was a project known as the Campfire project. It was an initiative of the Zimbabwean government to give traditional landowners total authority and autonomy over their lands. A section of the land would be under the management of a community, which would have complete autonomy in its ownership over all the wildlife, flora and fauna on that particular parcel of land.

So long as the landowners were operating under the sustainable framework allowed by the government they could trade commercially in that wildlife, whether it be through tourism, hunting, the livestock trade or the development and sale of flora, all for the entrenched purpose of benefiting that community. That amazing program enabled the landowners to benefit from the natural resources available on their traditional land, allowing them to improve and foster their community.

The committee decided to explore the issue in the context of working out how to put a value on wildlife. In other words, we considered how we might translate the Campfire program into an Australian context and come up with a similar program. We found that the answer is complex. In Australia the four main values by which wildlife can be assessed are social and aesthetic, which are often intangible; recreational, such as income derived from nature tourism; scientific, which are the values to do with human existence; and direct income from the trade in wildlife or the sale of species and their products.

On exploring that context a little further, we found that a number of barriers and success factors arise. They vary from public perceptions to the economic viability of the wildlife, and in particular the capacity to foster a healthy and ecologically sustainable system that is beneficial both to the people involved directly in the process and the wildlife. In the economic context the committee found it difficult to discover how to get around the vexed and often publicly confused problem of putting a value on native wildlife.

Based on my own investigations and those as a member of the committee, I suggest that in future wildlife will have to be managed. Unfortunately, maintaining true wildlife will not be possible. We must develop a framework by which governments, in conjunction with the private sector, place a specific value on the resources they are dealing with to ensure that wildlife is managed primarily for conservation and development purposes but also to ensure economic sustainability. As I said, the issue is complex.

Unfortunately the results of the committee's work will not be published, although the members of the committee discussed the issue at length and made some recommendations. I am disappointed that protocol prevents me from discussing it any further. I encourage this and future governments to keep the issue on the table to ensure that the complex but topical matters involving valuing, managing and utilising native flora and fauna are not neglected and get a fair hearing.

In conclusion, I refer to an individual who has a formula for valuing wildlife and who is probably no stranger to a number of members. Dr John Wamsley is the managing director of Earth Sanctuaries Ltd, a company that operates a number of sanctuaries nationally, its flagship being Warrawong sanctuary in the Adelaide Hills in South Australia. The committee visited and spoke at length with Dr Wamsley, who is a fascinating person with some incredible ideas on how to deal with the issue. I will read a paragraph on page 14 of his booklet, *Investing in Wildlife*, as it gives an indication of how Dr Wamsley, who has a PhD in mathematics, puts a value on wildlife. He says:

> The replacement value is often touted as a 'reasonable' method for valuing trees for example. The concept here is very simple: suppose it costs $10 to plant a tree, then the value of the tree is $10 plus 5 per cent compound interest for each year of age. Therefore a 2-year-old tree is valued at $11, a 14-year-old tree is valued at $20, a 28-year-old tree is valued at $40 and a 100-year-old tree is valued at $1300. This is quite reasonable. However, if we note that it takes 400 years for a Mallee tree to grow to a hollow big enough for a numbat to live in then using the replacement value one calculates that a 400-year-old tree is worth $3 billion. Although many would argue that a 400-year-old tree is worth $3 billion, clearly no-one would pay this much to save a 400-year-old tree. Therefore other methods must be used for ancient trees and other forms of wildlife.

That is a brief synopsis of the complexity of the issue. We must explore the issue further and come up with some practical alternatives for dealing with the vexed and complicated issue of valuing wildlife and its future

management in both the conservation and the ecologically sustainable and economic senses.

I have given a brief description of the committee's activities and deliberations. As I said, it is disappointing that the report will never be made public, as I am sure you will agree, Mr Deputy President. Bearing that in mind, the opposition has no reason to oppose the bill.

Motion agreed to.

Read second time.

Third reading

Hon. C. C. BROAD (Minister for Energy and Resources) — By leave, I move:

That this bill be now read a third time.

I thank the Honourables Gavin Jennings and Jenny Mikakos on the government side and the Honourables Andrew Olexander, Neil Lucas and Cameron Boardman on the opposition side for their contributions to the debate.

It is appropriate that the amendments have the support of both sides of the house in light of the history of the original legislation. It was passed in 1988 with the support of the Liberal and National opposition parties following its introduction by the previous Labor government, and it has not been amended since.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

JURIES BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. M. R. THOMSON (Minister for Small Business).

BUSINESS OF THE HOUSE

Adjournment

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

That the Council, at its rising, adjourn until Tuesday, 21 March.

Motion agreed to.

ADJOURNMENT

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

That the house do now adjourn.

Snowy River

Hon. E. G. STONEY (Central Highlands) — I raise a matter for the attention of the Minister for Energy and Resources. I have here a copy of the *Goulburn–Murray Water Staff Newsletter*, which records that on 2 February the minister visited the region on a fact-finding mission relating to increasing the flow of the Snowy River.

If the Snowy River receives extra water, will the minister guarantee that no extra water will be taken from the Goulburn–Broken system to make up the shortfall that may go down the Snowy?

Roads: rural maintenance

Hon. D. G. HADDEN (Ballarat) — I raise with the Minister for Energy and Resources, who represents the Minister for Local Government in the other place, the important problem of maintenance of roads and other infrastructure currently facing rural shires and councils in my electorate. Commonwealth Grants Commission funding has not kept pace with local government needs. In 1990 approximately half of the assessed needs were met by grants commission funding whereas now that figure is approximately 27 per cent.

In January the Municipal Association of Victoria released a report entitled *Economic and Financial Challenges for Small Rural Councils*, which shows that rural councils receive larger shares of local road grants because of the greater length of their road networks. However, rural councils spend approximately 43 per cent of their annual budgets on roads compared with the 20 per cent spent by metropolitan councils. Rural councils spend $943 per resident per annum compared with the $505 spent by metropolitan councils. Rural rates average 3.9 per cent of the household incomes of rural residents compared with 2.3 per cent of metropolitan median household incomes. Vicroads figures show that although Victoria contributes 25 per cent of national road excise revenues only 16.6 per cent of commonwealth roads funds are spent on Victorian roads.

Rural councils cannot attract new industry and development without improved roads and infrastructure. This is a critical requirement for the success of economic and social development in rural areas, especially in my electorate.

I therefore ask the minister to urge the Minister for Local Government in another place to negotiate with his federal counterpart a more equitable share of national road excise revenues by way of increased Commonwealth Grants Commission funding for rural councils in my electorate.

Small business: Growing Victoria Together

Hon. W. I. SMITH (Silvan) — I refer the Minister for Small Business to the state government-run business summit called Growing Victoria Together to be held this month. I understand approximately 80 businesses have been sent invitations to attend the summit, and I ask the minister to advise how many invitations have been sent to small businesses and which small businesses have been invited.

Business investment

Hon. R. F. SMITH (Chelsea) — I ask the Minister for Industrial Relations, as the representative of the Minister for Finance in another place, what is the government's response to the article in the business section of today's *Age* headed 'Investment set to soar as Victoria bounces back'. I refer to comments recently made in the house by my namesake opposite.

The PRESIDENT — Order! Mr Smith has put his question. I am not sure what he is going on to talk about at this stage.

Hon. R. F. SMITH — I was going to expand — —

The PRESIDENT — Order! The honourable member cannot expand. He can put a preamble to the question.

Hon. R. F. SMITH — The question I ask of the minister in the other place relates to the article in today's *Age* outlining the future prospects for investment in Victoria. Despite the statements made in the house by members opposite, in particular my namesake, who was lampooning investment in Victoria and predicting doom and gloom, it would appear that that is not quite the case. The article by Mr Tim Colebatch, the financial editor of the *Age*, states:

> Despite all the efforts to spread gloom, business investment plans for Victoria are soaring.
>
> …
>
> Investment plans for 2000–01 show a phenomenal 22 per cent rise in Victoria from the same survey a year earlier, compared with a 5 per cent fall in the rest of Australia.

It would appear that companies such as Olympic Air are flying back in, and with them is coming a great deal of investment.

Hon. M. A. Birrell — I am reluctant to raise a point of order on someone making his first-ever speech on the adjournment, but with respect, Mr President, the adjournment debate is not an opportunity to do something equivalent to a short address-in-reply or a short speech on the budget. Usually practical matters requiring some action by someone are raised, but what has been raised in this case is, I think, the question, 'Has the minister seen the article in the newspaper, and what does he think of it?' The adjournment debate is not an opportunity for someone to debate a newspaper article.

Hon. T. C. Theophanous interjected.

Hon. M. A. Birrell — The point I make is that it is not relevant. The adjournment debate is not a debating forum and should not be used for that purpose.

The PRESIDENT — Order! Honourable members should look at the guidelines I reissued last night. I hope every time I said 'he' Hansard recorded I said 'he or she'. Someone suggested I may not have.

The adjournment debate provides an opportunity to make a complaint or ask a question. The question the honourable member asked was succinct, and if he had stopped there he would have been a candidate for the President's prize, which is a nice bottle of red. The adjournment debate is not the appropriate time to deliver a set speech. The honourable member can set the scene, then ask the question. The honourable member has provided enough information to enable the minister to respond. I ask the honourable member to put the question again.

Hon. R. F. SMITH — What has the Minister for Finance done to encourage the influx of investment to Victoria?

GST: small business

Hon. B. N. ATKINSON (Koonung) — I have noted how the Minister for Small Business has argued strongly and persuasively in the chamber that she is a strong advocate of small business on the GST issue. I also note that the minister has, it would seem from her admissions to the house, had little input to the Workcover issues that are of so much concern to small

business, particularly in the province I represent, and I daresay in Victoria as a whole.

I ask that the minister turn her attention on this occasion to the log of claims of the Shop, Distributive and Allied Employees Association that is before the Australian Industrial Relations Commission. Can the minister apprise the house of the status of the outrageous log of claims that has been served on 35 000 retailers in Victoria, most of them small businesses? Can the minister also advise the house of the extent of representations she made to the AIRC, or indeed cabinet, in her capacity as an advocate of small business, a position she has indicated she holds strongly in the context of other issues before the public?

I ask the minister to tell the house tonight what action she has taken regarding the log of claims before the AIRC and what submissions she might have taken before cabinet in advocating for small businesses and pointing out the impact the log of claims will have on them.

The PRESIDENT — Order! It is unrealistic to ask what a minister took to cabinet, but the first part of the question is reasonable.

Western suburbs: sporting facilities

Hon. S. M. NGUYEN (Melbourne West) — I raise with the Minister for Sport and Recreation, who is also the Minister for Youth Affairs, access and equity issues in relation to sport and recreation facilities in the western suburbs, particularly for young people. During the course of the previous government's term and over recent months community leaders and youth workers have raised the lack of sport and recreation facilities, as well as the problems associated with access to existing facilities.

Local residents have informed me that they are unable to gain access to sport and recreation facilities. Because they are not associated with formalised clubs or associations they do not meet the criterion set out by the council. Encouraging young people to participate in sport and other social activities promotes personal and social wellbeing. They provide an outlet and keep people away from the ills of our community such as violence, crime and drugs.

In light of that I ask the minister whether he will consider initiating a self-help scheme in conjunction with local councils that would provide access to facilities for local residents, particularly young people from disadvantaged groups.

Rail: port of Geelong link

Hon. G. R. CRAIGE (Central Highlands) — I raise with the Minister for Ports a matter concerning the port of Geelong and in particular the Labor government's commitment to a rail link to the port of Geelong. The ALP's 'Labor and Geelong' policy clearly states on page 7 that:

> A Bracks Labor government will provide up to $4.5 million from Labor's Regional Infrastructure Development Fund to meet 50 per cent of the cost …

The minister informed me of the following by way of letter on 2 February:

> … standard gauge rail access to the port of Geelong is currently under consideration by this government, in conjunction with the City of Greater Geelong, Toll Geelong port and Vicgrain.

The minister goes on to add:

> This project will be considered through the newly formed Regional Infrastructure Development Council during 2000.

I find that a bit contradictory because according to the policy statement the money has already been committed from the Regional Infrastructure Development Fund.

On 11 February the minister gave a speech entitled 'Ports Agenda 2000', in which she stated:

> … the Bracks government has committed $4.5 million —

that was stated some nine days following the date of the letter, and I have assumed the proposal had been to council in those nine days —

> from the Regional Infrastructure Development Fund to meet 50 per cent of the cost of linking key wharves to the national standard rail network.

As the minister's letter was dated 2 February and her speech was given on 11 February, one can assume the council had met and approved that funding. I go on to quote a press release issued by the Office of the Premier and Treasurer dated 28 February:

> The port of Geelong will be integrated with existing standard gauge network through the development of a standard gauge rail link into the port at a cost of $4.5 million.

I ask the minister where the additional $4.5 million, the other 50 per cent of the cost of that rail link, will come from. Who is paying for that?

Banks: Commonwealth–Colonial merger

Hon. JENNY MIKAKOS (Jika Jika) — I raise a matter with the Minister for Consumer Affairs. The

minister advised the house earlier today that today is World Consumer Rights Day. I raise a matter that will have a huge and adverse effect on Victorian consumers — namely, the announcement by the Commonwealth Bank of Australia last week that it is seeking to acquire the Colonial State Bank.

The federal Treasurer, Peter Costello, in a doorstop interview on 8 March, failed to give any assurances that the closure of branches in regional areas will be a significant consideration in his giving or not giving his approval of the merger as being in the national interest.

Hon. Bill Forwood — On a point of order, Mr President, the guideline you gave last night was that members must raise only matters within the administrative competence of the Victorian government. I would have thought blind Freddy could see that the relationship between the Colonial and Commonwealth banks has little to do with the competence of the Victorian government.

Hon. JENNY MIKAKOS — On the point of order, Mr President, if the Honourable Bill Forwood had been patient enough to wait for me to elaborate, it would have become evident to him that I am not seeking that the minister intervene in federal matters falling under the Trade Practices Act. It will become clear that my concern is the ability of the Victorian Minister for Consumer Affairs to advocate on matters that affect Victorian consumers.

The PRESIDENT — Order! I am in a bit of a dilemma. I know the member knows what she wants to say in response but she has not given me enough information to decide the point of order. The question is whether the matter falls within the competence of Victoria. The member has the opportunity to answer that question. She needs to tell me a bit more so I can ensure the matter she raises is relevant.

Hon. JENNY MIKAKOS — On the point of order, Mr President, I wish to raise a matter that affects Victorian consumers. Under the Victorian constitution the Minister for Consumer Affairs has jurisdiction to advocate on matters affecting Victorian consumers. As will become apparent if I am allowed to conclude, I am not seeking that the minister exercise any functions properly exercised by the federal Treasurer.

The PRESIDENT — Order! I will accept the assurance from the honourable member, and on that basis I will allow her to complete her remarks.

Hon. JENNY MIKAKOS — As I was saying, the federal Treasurer failed to give any assurances that he would take regional services into account and stated in his interview that his government's policy related only to government and not to non-government services.

The Finance Sector Union has advised me there are 39 Colonial State Bank branches in Victoria and that the bank employs 635 staff across Victoria and Tasmania. In addition, the union has advised me that it is clear from discussions with Commonwealth Bank management that branches in neighbouring localities will be integrated or merged with other branches in the same area. If the merger proceeds Victorian consumers will face the real possibility of the 39 Colonial State Bank branches scattered across Victoria being shut, which will obviously impact upon Victorian consumers and will no doubt result in considerable job losses among bank staff.

Honourable members interjecting.

The PRESIDENT — Order! Will the honourable member now put her question, please.

Hon. JENNY MIKAKOS — In conclusion, Mr President, I also note that the Colonial — —

Honourable members interjecting.

The PRESIDENT — Order! Will the honourable member please put her question.

Hon. JENNY MIKAKOS — This is part of my question. I also note that the head office of Colonial State Bank located in Collins Street employs approximately 400 staff, and that the previous government failed to take any steps — —

The PRESIDENT — Order! There is a time limit, which the honourable member has exceeded. Please put the question so we can move on to the next item.

Hon. JENNY MIKAKOS — My request to the minister is that she seek to make representations to the federal Treasurer and to the Australian Competition and Consumer Commission about the proposed acquisition by the Commonwealth Bank of the Colonial State Bank and about how it will affect Victorian consumers.

The PRESIDENT — Order! I have to say that the honourable member disappointed me. She did not give me the information I was expecting. I very much doubt that that can be said to be a matter within the competence of the Victorian government. However, I will leave it to the minister to answer in the way she thinks fit.

Minister for Industrial Relations: offices

Hon. D. McL. DAVIS (East Yarra) — My question is for the Minister for Industrial Relations. Given discussions about the minister's numerous office moves and that in her short term in office she has occupied two offices and is soon to occupy a third; that she has failed to deny that the total cost of the moves may have approached $250 000; that she has failed to rule out that the renovations at Macarthur Street may have cost $80 000; that she has failed to clarify the details of the moves; and that she has indicated to numerous people that she will move to 55 Collins Street, I seek to establish where her departmental officers will be based. I understand they may well be based at Nauru House. Will the minister confirm not only that the costs have approached $250 000, but also that she will be based at a different place from where the majority of her departmental officers will be based.

Banks: closures

Hon. T. C. THEOPHANOUS (Jika Jika) — Mr President, in raising an issue with the Minister for Consumer Affairs I am mindful of your earlier rulings. The issue I raise concerns the impact bank closures or reduced bank services — which incidentally seem to continue unabated irrespective of mergers — have on consumers in relation to their access to credit and banking facilities. A letter I received from the Commonwealth Bank states:

> Following a review of our banking operations in the Fairfield and Thornbury area, I write to inform you that the following changes will take place from close of business (5.00 p.m.) on Friday, 14 April 2000:
>
> > Fairfield North will amalgamate with Fairfield.
> >
> > 680 High Street Thornbury will amalgamate with Thornbury.

That is a nice way of saying the bank is closing two of its branches. I am concerned that reductions in services to consumers occur without prior consultation with the representatives of the electorates concerned; the consultation occurs after the decisions are made. It has got to the point where honourable members in this place dread phone calls from Commonwealth Bank staff asking to see them because they know exactly what it will be about — to tell them that the bank is closing another branch. They never ring to say they are thinking about it and would like input — —

Hon. M. R. Thomson — Or that they are opening one.

Hon. T. C. THEOPHANOUS — Or that they are opening one. My concern is for the elderly consumers and other people in my electorate who find it difficult to travel longer distances to access consumer services provided by banks, including credit and other such facilities. In case some people are unaware of the fact, I point out that the state does have some responsibility for credit facilities.

Will the minister take up the issue of the closure of the two branches I have mentioned and get a guarantee from the Commonwealth Bank that it will not lead to a reduction in services to consumers, as well as an indication that the bank will consult consumers before it makes a decision to close a branch and not after it is a fait accompli?

Consumer Enrichment Centre

Hon. BILL FORWOOD (Templestowe) — The issue I raise with the Minister for Consumer Affairs concerns what I believe to be a scam being run by the Consumer Enrichment Centre in Toorak in the form of its guaranteed cash contest. It appears from information that has come to me that people receive unsolicited letters from the organisation stating that if they send back the processing and entry form they may win $15 000. All they need do is send off cash, a cheque or a money order, which is initially just $8. It appears that the deadline for initial entries is 30 January 2001. Presumably the organisation will send out a lot of letters between now and then.

The letter describes how participants will be able to progress through the contest and states that if they pay a bit more money — up to $140 — they will have the prospect of winning that amount of money. The letter is written in such a way as to entice people to invest in the scheme. It says in part:

> Although I am sure you are excited to receive this news, I must warn you: if you do not return … the form you will not have a chance of winning any cash prize.

This is the sort of scam that preys upon people who want to win money but who do not read the fine print. I ask the minister to ask her department to investigate the scam and publicise the fact that it is going around.

Food: industry investment

Hon. KAYE DARVENIZA (Melbourne West) — I refer the Minister for Energy and Resources, who represents the Minister for State and Regional Development in the other place, to the government's commitment to the food export industry. I ask the minister to advise me of the employment and

investment growth in the Victorian food industry that has been secured by the Bracks Labor government.

Electricity: Yallourn dispute

Hon. R. M. HALLAM (Western) — I raise for the attention of the Minister for Energy and Resources a matter that goes to the issues I raised with her during question time yesterday regarding the electricity crisis inflicted on Victorians. I have had a chance to read the *Hansard* proof of yesterday's report and I note that the minister gave a candid response to my question when she said, among other things, that:

> … the government was in continuous receipt of reports from Nemmco on the electricity supply situation at that time.

I thank the minister for her candid response. Unfortunately, that was not apposite to the question I asked, which related to the specific reports:

> … the Victorian government requested from Nemmco —

rather than received from Nemmco —

> during January on the effect of the withdrawal of Yallourn Energy's generational capacity.

I ask the minister to respond to the question I put to her yesterday.

Hon. T. C. Theophanous — On a point of order, Mr President, my understanding is that question time is for questions. The adjournment debate is not an appropriate time to re-ask a question that was asked during question time but which was not answered to the satisfaction of the honourable member. If Mr Hallam wishes to ask another question it would have to be a different question to the one he now poses. Mr Hallam raises for the attention of the minister an issue that is in the same terms as the question he asked earlier, which is not appropriate.

The PRESIDENT — Order! I again ask honourable members to refer to the guidelines I issued yesterday. The guidelines go back to 1975 and have remained unchallenged since that time. An honourable member may not raise a matter previously discussed in the same question. This is not the time to repeat a matter that was not answered to the honourable member's satisfaction. In this case Mr Hallam asked a question during question time, but the answer did not relate to the question. Mr Hallam should use another form of words in raising the issue to make his point. Accordingly, I disallow the question. However, I often give honourable members a chance to rephrase the matters they raise, and I give Mr Hallam the same opportunity.

Hon. R. M. HALLAM — I will be careful not to infringe your ruling, Mr President. There is also a rule that says that the response must be apposite to the question. I offer the minister the chance to revisit the issue I raised during question time yesterday. I did not do that at the first opportunity because I wanted to be fair to the minister and needed to look carefully at the *Hansard* record. It is clear to me, having read the report in *Daily Hansard*, that the minister's response was not apposite to the question, but was the reverse of the question. I ask the minister whether she wishes to take up the opportunity to correct the record.

Hon. T. C. Theophanous — On a point of order, Mr President, Mr Hallam is clearly flouting the ruling you have just made — that is, that members cannot ask the same question they asked earlier, notwithstanding whatever they may think of the minister's response. The standing orders are clear.

The PRESIDENT — Order! The guidelines are clear. I have already ruled that the adjournment debate does not provide an opportunity to repeat a question asked earlier, even though the answer was unsatisfactory. Mr Hallam may put the question on the notice paper without offending against the rule. Mr Hallam may give consideration to taking that course of action. I do not believe I can allow him to continue.

Unions: militancy

Hon. C. A. FURLETTI (Templestowe) — I raise for the attention of the Minister for Industrial Relations an issue relating to the directors of a small demolition company, a husband-and-wife team, who started their firm in 1992 with 4 employees and now employ 45 workers. They have built up their firm over that period through their own hard work. They are concerned about the revival of union militancy and the demands made over the past few months that are having a serious effect on their business. For example, they have complained to me that union officials have told them that the $17.95-a-day travel allowance paid to construction workers should be paid on rostered days off. They say that a group of union representatives demanded to inspect the company's records.

Hon. Jenny Mikakos — On a point of order, Mr President, the honourable member is raising a matter about increased union militancy, which does not come within the purview of the minister's responsibilities.

The PRESIDENT — Order! The Minister for Industrial Relations is present in this chamber. The honourable member may object to the terminology

used, but I believe the matter is addressed to the appropriate minister.

Hon. C. A. FURLETTI — I was under the impression that only Mr Theophanous was prone to premature evaluation. The complaint also involved extortion, which is a serious matter for employers.

A group of union representatives attended the company premises demanding to inspect the company documents, including its financial and taxation records. Clearly the firm was not obliged to produce or disclose those records. However, without any guarantee being given that they would be retained privately and treated confidentially, the firm produced the records because it felt it had little choice.

It was a case of sheer and unadulterated extortion by the union representatives. The company is associated with the Demolition Contractors Association, which, as the minister will be aware, last month successfully negotiated a 38-hour week and 15 per cent pay rise over three years for the workers in that industry. As honourable members will know, the agreement struck between the employers and the employees was rejected out of hand and quashed by the Construction, Forestry, Mining and Energy Union, which has since persisted with its claim for a 36-hour week and a 24 per cent pay rise.

Many firms in the industry, and my constituents in particular, are concerned that the leasing agreements they have entered into for expensive material and plant and equipment are based on their employees working a 38-hour week. When will the minister seek to intervene before the Australian Industrial Relations Commission to ensure that small businesses in circumstances like those facing my constituents survive the extraordinary and avaricious demands of the construction unions?

E-commerce: consumer protection

Hon. ANDREW BRIDESON (Waverley) — I refer the Minister for Consumer Affairs to an issue affecting consumers, which is appropriate given that earlier she said that today is the 38th World Consumer Rights Day.

The issue I raise concerns e-commerce. In passing I point out that I am not sure of the government's commitment to encouraging e-commerce, given that it does not have a minister for multimedia or information technology. Be that as it may, e-commerce is growing daily, as witnessed by the number of articles appearing in newspapers. I refer in particular to an article in the investment section of yesterday's *Age* and another in today's 'Domain Design' lift-out under the headline 'Shop 'til you drop Online'.

What does the minister intend to do to protect consumers from e-commerce malpractice? I will quote some examples from the article in today's *Age*, which states that one of the major concerns is that some e-commerce sites claim that:

> … credit card payments are secure, when there is no secure socket layer connection that protects personal data entered.

In some cases the consumer has to change from one site to another. Because one site may be secure while another is not, personal credit card information may go from a secure site to a not-so-secure site.

What does the minister intend doing to protect consumers who are using e-commerce? I do not want to hear a repeat of the pious platitudes she mouthed this afternoon, and I do not want her to produce a glossy brochure. Instead I want to know what she intends to do.

Somerville Rise Primary School

Hon. R. H. BOWDEN (South Eastern) — I ask the Minister for Industrial Relations to direct to the attention of the Minister for Finance in the other place an unsafe parking situation at the Somerville Rise Primary School. Approximately 600 children attend the school in Somerville, where I live and also have my electorate office, and the school expects its student population to increase.

Somerville Rise Primary School is on the corner of Graf Road and Blacks Camp Road, where there is only a limited ability for parents to drop off and pick up their children. It is unsafe at any time, and if the weather is inclement the schoolchildren can be exposed to real danger. Sometimes there are more than 100 vehicles in the immediate vicinity of the school, which is a serious threat to the safety of the children.

It just so happens that there is some Crown land immediately next door to the Somerville Rise Primary School. For some years I have been suggesting, with the support of the school, that a small portion of that Crown land could provide the solution to the dangerous problem that exists there.

Will the minister ask the Minister for Finance to investigate the possibility of excising a small portion of the Crown land immediately next to the Somerville Rise Primary School with the aim of creating some peace of mind for the many hundreds of concerned parents in my electorate?

Pakenham bypass

Hon. N. B. LUCAS (Eumemmerring) — I ask the Minister for Energy and Resources to direct to the attention of the Minister for Transport in another place the proposed Pakenham bypass. I refer to page 6 of the Pakenham *Gazette* of 1 March this year, which says:

> Premier Steve Bracks promised on Monday that the Pakenham bypass 'won't be forgotten'.

It went on to say:

> The Premier said Cardinia was in a perfect position to benefit from both black spot and Better Roads funding.
>
> …
>
> He said Cardinia could also be in line for regional infrastructure funding and Better Roads, covered by petrol tax.

I suggest to the minister that Pakenham is a fast-growing place, the population of which will increase to over 40 000 in the next decade. More than 30 000 vehicles a day travel through Pakenham along the Princes Highway, the accident records for which show that in the past five years 7 fatalities, 74 serious injuries and 149 other injuries have occurred in the area from Beaconsfield through to Nar Nar Goon. The Royal Automobile Club of Victoria classifies that section of road as the worst accident section in the state.

The proposed freeway will cost $180 million, and the federal government has already promised $30 million for the much-needed work. I have seen a number of construction scenarios. I note in particular the submission from Vicroads headed 'National roads in Victoria — forward strategy', which covers the period from 1999 to 2004 and indicates on page 15 that construction of the road could commence in 2002.

I have met with Cr Max Papley, the mayor of Cardinia, and Don Wells, the shire's chief executive, to discuss the matter. The shire is so concerned that it is proposing to put postcards in the local paper that members of the community can forward to the Minister for Transport, pointing out to him the great need for the road. It is a high-priority accident spot. The previous Victorian government saw it as a high priority and recommended that it receive funding. As I said, $30 million has already been made available by the federal government.

Will the minister note the concerns of the residents of Pakenham and the Shire of Cardinia and advise when the shire and its people can expect work to commence on the much-needed infrastructure, which is the shire's top priority? In giving an answer, will the minister also consider that, as reported in the local paper, the Premier has suggested regional infrastructure funding for the project?

Honourable members will remember the conjecture about the reason the Shire of Cardinia was not included in the Regional Infrastructure Development Fund Bill as a shire that could receive funding under the program. Perhaps the minister can clarify whether the Premier has made a mistake in suggesting that regional infrastructure funding could be made available to the area.

The PRESIDENT — Order! Before calling the next matter, I refer to the matter raised by the Honourable Ron Bowden. Last night the Honourable Ken Smith referred to education department land in Blacks Camp Road, Somerville, and sought advice on why adjoining land was to be sold by the minister rather than being used for a secondary college. The Honourable Ron Bowden started off by talking about safety of students. In so far as his question relates to the safety of students, I will allow it; in so far as it relates to the disposal of that land, I am not sure that he is not doubling up on the matter raised last night, which is not permissible.

Somerville Rise Primary School

Hon. R. H. BOWDEN (South Eastern) *(By leave)* — My primary concern is the safety of the 600 children. The land on which the school is situated is limited and the location has become a dangerous issue. The solution may or may not be to use the land nearby. My primary concern in raising the matter is to ask the minister to consider all the state's assets in relation to the safety of the children.

Lawn bowls: centre

Hon. P. R. HALL (Gippsland) — I refer the Minister for Sport and Recreation to the government's *1999–2000 Public Sector Asset Investment Program*, which was tabled in the house last week. No reference was made in that document to the establishment of an international bowls centre in Melbourne's eastern suburbs.

I remind the minister that that was a $1 million election commitment by the Labor government during the election. Given that it has to be ready for the 2006 Commonwealth Games in Melbourne it is important that planning for the facility begin. What progress has his government made towards honouring the election commitment?

Women's Information and Referral Exchange

Hon. ANDREA COOTE (Monash) — I ask the Minister for Small Business to refer a matter to the Minister for Women's Affairs in another place. The former Minister for Women's Affairs, Jan Wade, gave considerable support to the Women's Information and Referral Exchange (WIRE). That excellent service, under the guidance of the former minister, established an information service with a 1300 number. It also has an email address as well as a shopfront and walk-in information centre in Flinders Lane just off Swanston Street.

On International Women's Day I attended the launch of the Kennett government initiatives by the minister. In her speech the minister, who is also the Minister for Environment and Conservation, said she was giving WIRE a significant donation to increase services to rural women. I discovered this was to be $50 000 over five years. She said it was helpful being the Minister for Women's Affairs as well as the Minister for Environment and Conservation as she would be funding the donation from the Department of Natural Resources and Environment budget.

I ask the minister to explain why the funding for what is obviously a program established for women will not be funded from the women's affairs budget and why it is coming from the conservation portfolio.

Narre Warren South primary school

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — I ask the Minister for Youth Affairs to refer the attention of the Minister for Education in another place to a matter of considerable importance in my province — namely, the provision of a primary school in Narre Warren South.

As the minister may be aware, the City of Casey is the third-fastest growing municipality in Australia, and within the City of Casey, Narre Warren South is the fastest growing area. Currently the area does not have a primary or secondary school. During the 1999 election campaign the Labor government committed to the construction of a primary school in the Narre Warren South area to be opened in time for the 2001 school year. That was a key commitment to the people of Narre Warren South, and it is one that I am keen to see delivered.

The Minister for Gaming in the other place was also a supporter of the proposed school. I refer to *Hansard* of 28 October 1998 when the honourable member for Dandenong, now the Minister for Gaming, called on the government to build the new primary school for the commencement of the 2001 school year. He expressed concern about the lack of capacity of surrounding schools and asked whether the government cared about the distance young people have to travel to get to school.

I am concerned that it is now mid-March and it appears no progress has been made towards building the new school. Five months have elapsed since the government took office and only 10 months remain until the start of the 2001 school year. I am sure the Minister for Gaming shares my concern.

I seek from the Minister for Education an explanation of the current status of the Narre Warren South primary school. Does the government remain committed to opening the school in 2001 as promised, and can she provide the house with a time line for the construction and commissioning of the school?

Arts: outer eastern suburbs

Hon. G. B. ASHMAN (Koonung) — I ask the Minister for Industrial Relations to direct the attention of the Minister for Arts in the other place to the shortage of arts facilities in the outer eastern suburbs which is causing significant concern. While one recognises there is a range of sporting facilities, the arts community has been ignored. Some 250 000 to 300 000 people in the outer-east catchment area are currently served by a number of small theatres. Generally small theatres have developed over the years but have the capacity to seat maybe 100 or so patrons. The schools have a major problem when seeking to put on major stage productions. Many of the schools' auditoriums are generally unsuitable for major productions.

The minister would be aware that the City of Knox has developed a theatre and arts complex plan which would adequately serve the outer east. Can the minister advise the attitude of the government to providing services for the arts community in the outer eastern suburbs?

Housing: Highett estate

Hon. J. W. G. ROSS (Higinbotham) — I ask the Minister for Small Business to direct the attention of the Minister for Housing in the other place to the urgent need for a maintenance upgrade of the Graham Road — or Fox–Dunkley — public housing estate in my province that is administered by the Cheltenham housing office in the Southern Metropolitan Region of the Department of Human Services. The estate is desperately in need of refurbishment and, in particular,

floor coverings, internal painting and some external work.

The former minister saw fit to visit the estate prior to the change of government and she was well acquainted with the need to refurbish the estate. I had every expectation that she would attempt to provide the funds to enable the necessary work to be carried out. The amount of money required was of the order of $500 000 to $600 000.

I have since been approached by the housing support services of the Brotherhood of St Laurence and have had personal negotiations with one of the residents who has been driven to extreme measures and, without putting too fine a political point on it, her health may be affected. However, the issue is in general about the housing estate, which is in desperate need of an upgrade.

I urge the minister to ask the Minister for Housing to ensure the facility has the priority accorded to it that it deserves. The circumstances will be in the files of the Office of Housing. I must say that I have been impressed by officers of the Department of Human Services.

The difficulty that has arisen about one resident and the office at a particular location is irreconcilable in the absence of a general update of the entire estate and rectification of problems throughout it. I urge the minister to attempt to do something about it.

Mildura: skate park

Hon. B. W. BISHOP (North Western) — The matter I ask the Minister for Sport and Recreation to direct to the attention of the Minister for Police and Emergency Services in the other house concerns an issue about which the Minister for Sport and Recreation may have become aware during his recent visit to Mildura to open Mildura Waves, a world-class aquatic centre. He may have noticed a large number of young people gathered at the centre.

Last year the issue of a skate park in Mildura was raised in the house. The Mildura Rural City Council met and identified the need for a skate park to take the skaters off the streets and to create a safer environment for all concerned. Obviously an undercover skate park would be the best result. But having to cut the cloth at its disposal, the council looked at using an old wading pool at Jaycee Park, adjacent to the river — a safe and convenient spot for skateboarders.

The former Minister for Police and Emergency Services was keen to assist the council in that project, but the response I received from the new minister was that he was not keen to follow that exact path. He spoke about a new Start program and about a state review under way under the umbrella of the small grants program. Time is moving on. In the minister's responsibility for sport and recreation, and in that of the minister in the other place for police and emergency services, I invite them to join the efforts of their departments to make a worthwhile grant so the skate park can be established without further ado.

Responses

Hon. M. M. GOULD (Minister for Industrial Relations) — The Honourable Bob Smith raised a matter with me for the attention of the Minister for Finance in the other place about increased investments in Victoria. I will ask the minister to respond in the usual manner.

The Honourable David Davis referred to works at my office. I have already informed the house that I am considering a proposal from the Department of State and Regional Development. When I have decided, I will be happy to inform the honourable member.

The Honourable Carlo Furletti raised a matter with me about a company that he said had started off with 4 and had increased to 45 workers but had concerns about issues raised by a union. He did not name the company. He referred to an issue before the Australian Industrial Relations Commission and the fact that the company had not responded to union claims made. He asked me about the government's position. I advised the house about that matter yesterday.

The Honourable Ron Bowden raised a matter that was referred to yesterday in a slightly different context. He asked the Minister for Finance about children at a Somerville school. I will direct the matter to the attention of the Minister for Finance and ask him to respond in the usual manner.

The Honourable Gerald Ashman raised a matter for the attention of the Minister for the Arts in the other house about arts facilities in the outer east. I will pass that on to the minister and ask her to respond to the honourable member.

Hon. C. C. BROAD (Minister for Energy and Resources) — The Honourable Graeme Stoney referred to one of my visits in pursuit of my objective of negotiating environmental flows in the Snowy River. In pursuit of that objective I have noted with interest the growing list of demands in relation to a whole range of river systems including the Goulburn River. Legitimate as the claims may be, the particular task I am faced with

solving concerns environmental flows for the Snowy River.

In relation to the sourcing of water to meet that commitment, the government has been clear in making a series of public statements on a number of occasions about how that water will be sourced — that it will be from savings which will not adversely affect flows elsewhere in the Murray and Goulburn areas. I suggest the opposition look at the whole area of water savings, which does not require magic but dollars. Dollars from the commonwealth would be most welcome to meet the commitment.

The Honourable Dianne Hadden asked me to direct a matter to the attention of the Minister for Local Government in the other place. It concerned a sharing of funding from the commonwealth for country roads — that is, the ever-declining share of funding for country roads. I will direct that matter to the attention of the minister in the other place.

The Honourable Geoff Craige asked me about the commitment to provide a rail link to the port of Geelong. That commitment was made by the Bracks government at the last election and reiterated in a speech about ports. The need for commitments to funding from the Regional Infrastructure Development Fund to go through appropriate processes was well canvassed during debate on the passage of the legislation that established the Regional Infrastructure Development Fund. The commitments are clear. However, it is necessary in providing those funds to ensure that protocols are observed; those projects need to go through appropriate channels.

The government's commitment is clear. It is to be $4.5 million. That is the extent of the government's commitment. As to the remainder of the funds, that is a matter to be sourced from elsewhere.

Honourable members interjecting.

Hon. C. C. BROAD — Given the opposition's stance on privatisation and the question about where funds might come from — —

Honourable members interjecting.

The PRESIDENT — Order! I ask the house to settle down so it can hear the minister's responses.

Hon. C. C. BROAD — The Honourable Kaye Darveniza requested me to ask the Minister for State and Regional Development in the other house to provide advice on food export initiatives recently secured by the Bracks government. I will refer that matter to the minister.

The Honourable Neil Lucas directed a matter to the attention of the Minister for Transport relating to the Pakenham bypass proposal. The honourable member asked that advice be provided about the timing of the implementation of the proposal and clarification of possible sources of infrastructure funding for its implementation. I will direct that matter to the attention of the responsible minister.

Hon. M. R. THOMSON (Minister for Small Business) — The Honourable Wendy Smith raised the same matter she raised last night in relation to the business summit and asked how many small businesses would be attending the summit. I answered the question last night but I reiterate that there are limits — —

Hon. W. I. Smith — On a point of order, Mr President, it is not the same matter as was raised last night. I specifically asked how many and which small businesses would be invited. I did not ask that question last night.

Honourable members interjecting.

The PRESIDENT — Order! The honourable member is correcting the minister's statement. She can do it in different formats and that is one way of doing it.

Hon. M. R. THOMSON — As I said last night, there are limited places at the summit. There will be a mix of business, community and union at the summit. There will be some small business present and certainly peak bodies that represent small business will be present at the summit.

Hon. W. I. Smith — On a further point of order, Mr President, I asked exactly how many small businesses would be invited because some 80 invitations have gone out to businesses in Victoria. The question is specifically how many small businesses will be invited.

Hon. M. R. THOMSON — As I explained before, the invitations to the summit are to a mix of business, community and union, and the peak bodies that represent small business will be present. I also mentioned last night that the Small Business Advisory Council will have access to senior levels of government. We have had well in excess of 100 applications for that advisory council. We will be shortlisting them and will soon be announcing who will be on it.

The Honourable Bruce Atkinson raised the matter of the Shop, Distributive and Allied Employees Association claim before the Australian Industrial Relations Commission in relation to the retail industry and asked what representations I had made on behalf of small business. The industrial relations laws under which we currently operate encourage an environment of confrontation, not cooperation. It is important that we get back to a system that — —

Honourable members interjecting.

Hon. M. R. THOMSON — The continuing indication is that most small businesses would prefer to work cooperatively with their employees, rather than in conflict with them.

Hon. B. N. Atkinson — On a point of order, Mr President, I am interested in the minister's response and I must accept the platitudes she gave me — I understand those. But I particularly asked what she was doing. I would be pleased if the chamber was edified by understanding what the minister was doing to advocate for small business in respect of that particular claim.

Hon. M. R. THOMSON — The Honourable Jenny Mikakos raised the Commonwealth Bank's proposed acquisition of the Colonial State Bank and seeks to make representation to the Treasurer about bank closures.

Honourable members interjecting.

The PRESIDENT — Order! Mr Atkinson will desist.

Hon. M. R. THOMSON — The whole community deplores the closure of banks. I will raise the matter with the Treasurer and ask that he seek that some security of branch access is provided particularly for the elderly in our community.

Honourable members interjecting.

Hon. M. R. THOMSON — The Honourable Theo Theophanous raised reduced services by banks. The Commonwealth Bank branches at Fairfield North and Thornbury are set to close without consultation. He asked me to raise with the Commonwealth Bank the continued provision of services for the community and consultation about closures. It is important when banks are looking to close branches that they consider the real needs of the community they serve and ensure that they are not disadvantaging those communities.

The Honourable Bill Forwood raised a matter about the cash prize distribution committee. It appears to need some investigation and I am more than happy to have the Office of Fair Trading do so. We have been looking at a couple of what appear to be not dissimilar questionable mail order either winnings or, as in one case, some religion. We will certainly chase that up and get back to him with what we can provide on that matter.

The Honourable Andrew Brideson raised a very serious matter but unfortunately decided to end with some gratuitous remarks.

Honourable members interjecting.

Hon. M. R. THOMSON — He referred to malpractice in the use of e-commerce credit cards. As I said, it is a very serious issue and it crosses not only state but national and international borders. Certainly there has been work and cooperation between the states and the federal government to try to deal with the issue which, as he would understand, is very complex. We are trying to do something about it, as we must in order to create confidence in being able to use e-commerce transactions and to compete internationally.

I think my order gets a bit mixed up here. The Honourable Andrea Coote raised for the attention of the Minister for Women's Affairs why the funding for WIRE is being provided by the Department of Natural Resources and Environment rather than from the women's affairs portfolio area. I will raise that with the minister and she will respond in due course.

The Honourable John Ross raised for the attention of the Minister for Housing the need for floor coverings, painting and external work worth some $600 000 to be carried out on the Fox–Dunkley public housing estate. I will certainly pass that on to the minister and she will reply in due course.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — In relation to the first matter, raised by the Honourable Sang Nguyen, in relation to sport and recreation facilities, I recognise that the traditional model of formalised sporting clubs is often not appropriate in providing recreation opportunities for young people, particularly if they are from disadvantaged groups. With the assistance of my department and the Office of Youth Affairs, I will seek to form partnership opportunities with local government to accommodate the recreation needs of young people in need of appropriate positive programs and facilities.

In relation to the matter raised by the Honourable Peter Hall about the government's commitment to establishing a state lawn bowls centre, a short list of

possible bowls developments has been identified against the criteria, based on a feasibility study conducted last year. Recent information, including specification by the international body for an increased number of greens, means that other sites and partnership options must be and are being considered and worked through currently. I reiterate the government's commitment to ensuring the development of a world-class lawns bowl facility.

The Honourable Gordon Rich-Phillips asked about the provision of a primary school in Narre Warren South. I will refer the matter to the Minister for Education in the other place.

The Honourable Barry Bishop asked about the potential for a skate park in Mildura. Recently I visited the aquatic centre in Mildura, and I commend the people responsible for its development because it is a visionary regional centre. It will be the benchmark for a number of other facilities in regional Victoria. I will confer with the Minister for Police and Emergency Services to see if it is possible to integrate the programs referred to by Mr Bishop, but I reiterate that the minor grants facilities program is an opportunity through Sport and Recreation Victoria to apply for funding, and that will require partnerships to be formed at a local government level.

Motion agreed to.

House adjourned at 10.41 p.m. until Tuesday, 21 March.

QUESTIONS ON NOTICE

Answers to the following questions on notice were circulated on the date shown.
Questions have been incorporated from the notice paper of the Legislative Council.
Answers have been incorporated in the form supplied by the departments on behalf of the appropriate ministers.
The portfolio of the minister answering the question on notice starts each heading.

Tuesday, 14 March 2000

Arts: FOI record management

17. **THE HON. P. A. KATSAMBANIS** — To ask the Honourable the Minister for Industrial Relations (for the Honourable the Minister for Arts): What record management procedure has she implemented within her department to ensure that all documents in electronic format are readily identifiable, accessible and immediately available to ensure that any freedom-of-information applications can be processed in a complete and timely manner.

ANSWER:

I am informed that:

Arts Victoria has sound record management processes.

Hardcopy documents and files are recorded, tracked and managed using the Department's electronic records management system, RecFind. Procedures for the use of this system are available to all staff on the DPC Corporate Information Centre (Lotus Notes database).

In respect of electronic documents, the Victorian Government is currently assessing its capacity to ensure that all documents in electronic format are readily identifiable, accessible and immediately available to ensure that Freedom of Information applications can be processed in a complete and timely manner.

As a part of this process the Department of Infrastructure is currently piloting the Victorian Electronic Records Strategy (VERS) developed by the Public Records Office Victoria (PROV) in conjunction with the CSIRO. The main aim of this strategy is to capture and preserve electronic records in such a way that they are readily accessible in the long term.

I am delighted that the Arts portfolio, through the PROV, is taking a leading role on this important issue.

Environment and Conservation: FOI record management

18. **THE HON. P. A. KATSAMBANIS** — To ask the Honourable the Minister for Energy and Resources (for the Honourable the Minister for Environment and Conservation): What record management procedure has she implemented within her department to ensure that all documents in electronic format are readily identifiable, accessible and immediately available to ensure that any freedom-of-information applications can be processed in a complete and timely manner.

ANSWER:

I am informed that:

Since the Department of Natural Resources and Environment was formed in 1996 all records have been centralised and maintained on the Departmental RecFind system. Good records management practices have been fostered by conducting training courses in metropolitan and regional locations and convening regular meetings of records staff.

The Department follows the guidelines laid down by the *Public Records Act 1973* and the Public Records Office Standards for the Management of Public Records and has issued procedures for Central Records Management, Records Disposal and E-mail and Internet Electronic Media which set out approved records management practices.

The Victorian Government is currently assessing its capacity to ensure that all documents in electronic format are readily identifiable, accessible and immediately available to ensure that Freedom of Information applications can be processed in a complete and timely manner.

As a part of this process the Department of Infrastructure is currently piloting the Victorian Electronic Records Strategy (VERS) developed by the Public Records Office Victoria (PROV) in conjunction with the CSIRO. The main aim of this strategy is to capture and preserve electronic records in such a way that they are readily accessible in the long term.

Women's Affairs: FOI record management

19. THE HON. P. A. KATSAMBANIS — To ask the Honourable the Minister for Small Business (for the Honourable the Minister for Women's Affairs): What record management procedure has she implemented within her department to ensure that all documents in electronic format are readily identifiable, accessible and immediately available to ensure that any freedom-of-information applications can be processed in a complete and timely manner.

ANSWER:

I am informed that:

The Victorian Government is currently assessing its capacity to ensure that all documents in electronic format are readily identifiable, accessible and immediately available to ensure that Freedom of Information applications can be processed in a complete and timely manner.

As a part of this process, the Department of Infrastructure is currently piloting the Victorian Electron Records Strategy (VERS) developed by the Public Records Office Victoria in conjunction with the CSIRO. The main aim of this strategy is to capture and preserve electronic records in such a way that they are readily accessible in the long term.

Environment and Conservation: electronic service delivery

46. THE HON. P. A. KATSAMBANIS — To ask the Honourable the Minister for Energy and Resources (for the Honourable the Minister for Environment and Conservation): What target dates have been set within the Department of Natural Resources and Environment and each of its agencies for the achievement of delivery of services electronically in relation to the — (i) provision of all tenders on the Internet; (ii) availability of all public forms electronically; (iii) provision of all printed information on the Internet; (iv) conduct of all department purchasing electronically; and (v) conduct of all transactions online.

ANSWER:

I am informed that:

The target dates for the delivery of on-line services were established by the former government as part of a program entitled Online. There has been a progressive schedule of implementation since December 1998 as follows:

- Provision of all tenders on the Internet – December 1998
- Availability of all Public Forms electronically accessible – December 1998
- High volume information on the Internet – December 1998
- All Government publications on the Internet – December 1999
- Conduct of all Government purchasing Electronic – December 2001
- All transactions online – December 2001.

The Bracks Government has not changed these target dates established by the former government. The provision of departmental services online is dependent on what the department deems appropriate through conducting an audit of possible services to be delivered electronically. Some transactions may not be placed online as they have been assessed as not suitable for electronic delivery.

Arts: equal opportunity employment

64. THE HON. P. A. KATSAMBANIS — To ask the Honourable the Minister for Industrial Relations (for the Honourable the Minister for Arts): Will the Minister provide a guarantee that no preference will be given to any employee within the Department of Premier and Cabinet, its agencies or the Minister's office on the basis of membership of a trade union, political party or any other organisation.

ANSWER:

I am informed that:

Sections 15 and 20 of the *Public Sector Management and Employment Act 1998* ('the Act') provide that agency heads have all the rights, powers, authorities and duties of an employer and they must exercise these powers independently. Section 7 of the Act further provides that agency and public authority heads must establish employment processes that will ensure employment decisions are based on merit, employees are treated fairly and reasonably, equal employment opportunity is provided, and employees have a reasonable avenue of redress against unfair or unreasonable treatment.

Further sections 37(1)(b) and 39 the Act also provides that the Commissioner for Public Employment may make Directions concerning the application of these principles. The Commissioner has made Directions entitled:

- Selecting on Merit
- Managing and Valuing Diversity
- Managing Under Performance
- Reviewing Personal Grievances
- Upholding Public Sector Conduct.

In exercising their responsibilities as employers, agency heads within the Department of Premier and Cabinet and public authority heads must comply with section 7 of the Act and the Commissioner's Directions.

In addition, Ministerial Staff are being selected on merit based on an open and transparent selection process. Terms and conditions of employment are to be negotiated with staff on a collective basis consistent with the Government's policy.

Environment and Conservation: equal opportunity employment

65. THE HON. P. A. KATSAMBANIS — To ask the Honourable the Minister for Energy and Resources (for the Honourable the Minister for Environment and Conservation): Will the Minister provide a guarantee that no preference will be given to any employee within the Department of Natural Resources and Environment, its agencies or the Minister's office on the basis of membership of a trade union, political party or any other organisation.

ANSWER:

I am informed that:

Sections 15 and 20 of the *Public Sector Management and Employment Act 1998* ('the Act') provide that agency heads have all the rights, powers, authorities and duties of an employer and they must exercise these powers independently. Section 7 of the Act further provides that agency and public authority heads must establish employment processes that will ensure employment decisions are based on merit, employees are treated fairly and

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Women's Affairs: equal opportunity employment

66. THE HON. P. A. KATSAMBANIS — To ask the Honourable the Minister for Small Business (for the Honourable the Minister for Women's Affairs): Will the Minister provide a guarantee that no preference will be given to any employee within the Department of Premier and Cabinet, its agencies or the Minister's office on the basis of membership of a trade union, political party or any other organisation.

ANSWER:

Section 15 and 20 of the *Public Sector Management and Employment Act 1998* ('the Act') provide that agency heads have all the rights, powers, authorities and duties of an employer and they must exercise these power independently. Section 7 of the Act further provides that agency and public authority heads must establish employment processes that will ensure employment decisions are based on merit, employees are treated fairly and reasonably, equal employment opportunity is provided, and employees have a reasonable avenue of redress against unfair or unreasonable treatment.

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Arts: equal opportunity employment

100. THE HON. P. A. KATSAMBANIS — To ask the Honourable the Minister for Industrial Relations (for the Honourable the Minister for Arts): Will the Minister provide a guarantee that within the Department of Premier and Cabinet, its agencies or the Minister's office any decision to employ staff, promote staff or

otherwise deal with an employee's employment relationship will not be determined in whole or in any part on the basis of membership of a trade union, political party or any other organisation.

ANSWER:

I am informed that:

Sections 15 and 20 of the *Public Sector Management and Employment Act 1998* ('the Act') provide that agency heads have all the rights, powers, authorities and duties of an employer and they must exercise these powers independently. Section 7 of the Act further provides that agency and public authority heads must establish employment processes that will ensure employment decisions are based on merit, employees are treated fairly and reasonably, equal employment opportunity is provided, and employees have a reasonable avenue of redress against unfair or unreasonable treatment.

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In exercising their responsibilities as employers, agency heads within the Department of Premier and Cabinet and public authority heads must comply with section 7 of the Act and the Commissioner's Directions.

In addition, Ministerial Staff are being selected on merit based on an open and transparent selection process. Terms and conditions of employment are to be negotiated with staff on a collective basis consistent with the Government's policy.

Environment and Conservation: equal opportunity employment

101. THE HON. P. A. KATSAMBANIS — To ask the Honourable the Minister for Energy and Resources (for the Honourable the Minister for Environment and Conservation): Will the Minister provide a guarantee that within the Department of Natural Resources and Environment, its agencies or the Minister's office any decision to employ staff, promote staff or otherwise deal with an employee's employment relationship will not be determined in whole or in any part on the basis of membership of a trade union, political party or any other organisation.

ANSWER:

I am informed that:

Sections 15 and 20 of the *Public Sector Management and Employment Act 1998* ('the Act') provide that agency heads have all the rights, powers, authorities and duties of an employer and they must exercise these powers independently. Section 7 of the Act further provides that agency and public authority heads must establish employment processes that will ensure employment decisions are based on merit, employees are treated fairly and reasonably, equal employment opportunity is provided, and employees have a reasonable avenue of redress against unfair or unreasonable treatment.

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In exercising their responsibilities as employers, agency heads within the Department of Premier and Cabinet and public authority heads must comply with section 7 of the Act and the Commissioner's Directions.

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Women's Affairs: equal opportunity employment

102. THE HON. P. A. KATSAMBANIS — To ask the Honourable the Minister for Small Business (for the Honourable the Minister for Women's Affairs): Will the Minister provide a guarantee that within the Department of Premier and Cabinet, its agencies or the Minister's office any decision to employ staff, promote staff or otherwise deal with an employee's employment relationship will not be determined in whole or in any part on the basis of membership of a trade union, political party or any other organisation.

ANSWER:

Section 15 and 20 of the *Public Sector Management and Employment Act 1998* ('the Act') provide that agency heads have all the rights, powers, authorities and duties of an employer and they must exercise these power independently. Section 7 of the Act further provides that agency and public authority heads must establish employment processes that will ensure employment decisions are based on merit, employees are treated fairly and reasonably, equal employment opportunity is provided, and employees have a reasonable avenue of redress against unfair or unreasonable treatment.

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In addition, Ministerial Staff are being selected on merit based on an open and transparent selection process. Terms and conditions of employment are to be negotiated with staff on a collective basis consistent with the Government's policy.

State and Regional Development: Multimedia Victoria projects

140. THE HON. G. B. ASHMAN — To ask the Honourable the Minister for Energy and Resources (for the Honourable the Minister for State and Regional Development):

(a) Is Multimedia Victoria reviewing its budget to accommodate the department's so-called emphasis on regional issues and a wider spread of technology projects across all industries; if so — (i) who is conducting the review; (ii) what are the terms of reference; and (iii) what instructions does the person conducting the review have in respect of "discretionary spending".

(b) Has the employment or engagement of any staff or consultants of Multimedia Victoria been terminated; if so, which employees or consultants and on what terms;

(c) Have any programs had funding reduced or terminated; if so, which programs.

ANSWER:

As part of the annual budget process Multimedia Victoria is considering its budget to ensure it aligns with the Government's priorities. All such matters are subject to the normal budgetary processes of Cabinet.

The Department of State and Regional Development has been restructured to align better with the Government's priorities, including in relation to expected savings requirements.

Planning: responsibilities of assistant minister

150. THE HON. M. A. BIRRELL — To ask the Honourable the Minister Assisting the Minister for Planning: Since the Minister's appointment as Minister Assisting the Minister for Planning, what specific responsibilities or tasks has the Minister been allocated by the Minister for Planning, specifying in each case: — (i) the responsibility or task involved; (ii) the date or dates when the responsibility or task was allocated; (iii) how this responsibility or task was communicated to the Minister Assisting; (iv) the duration of each responsibility or task; and (v) the precise nature of the work undertaken.

ANSWER:

I inform that:

I have a range of general responsibilities across the Planning portfolio in my capacity as Minister Assisting the Minister for Planning. In addition to those general responsibilities, I provide assistance to the Minister for Planning in the areas of administrative and policy functions, meetings with delegations, and attending public events on the Minister's behalf.

In addition to those general responsibilities I have particular responsibility for assisting the Minister for Planning in the following areas:

- Camp Street
- Land Monitor
- Minerva

My responsibilities for these matters are ongoing.

Arts: web site user information

168. THE HON. P. A. KATSAMBANIS — To ask the Honourable the Minister for Industrial Relations (for the Honourable the Minister for Arts):

(a) What data collection and profiling methods are utilised by the Minister's department or by any other person on behalf of the department, to collate and store information about users of any website operated by or on behalf of the department.

(b) How is this information managed.

(c) What access or use of this information is made by the department, or by any other person on behalf of the department.

(d) What policy is in place regarding the collection and distribution of this information to any third party.

ANSWER:

I am informed that:

In response to Part (a) of your question that:

- Arts Victoria subscribes to a service provided by IMR Worldwide, which is a web measurement tool recommended by Multimedia Victoria

In response to Part (b) of your question that:
- This information is held on IMR Worldwide's server and is accessed by a staff member at Arts Victoria through a security login and password

In response to Part (c) of your question that:
- The information is regularly collated by the same staff member for reporting on Arts Victoria's effective use of the Internet website. These reports are made available to Arts Victoria management.

In response to Part (d) of your question that:
- The data from these reports is not available to any third party.

Environment and Conservation: web site user information

169. THE HON. P. A. KATSAMBANIS — To ask the Honourable the Minister for Energy and Resources (for the Honourable the Minister for Environment and Conservation:

(a) What data collection and profiling methods are utilised by the Minister's department or by any other person on behalf of the department, to collate and store information about users of any website operated by or on behalf of the department.

(b) How is this information managed.

(c) What access or use of this information is made by the department, or by any other person on behalf of the department.

(d) What policy is in place regarding the collection and distribution of this information to any third party.

ANSWER:

I am informed that:

The Department does not have any common data collection or profiling methods in use on our websites.

Web site managers within each Branch/Agency establish and maintain processes based on individual specifications and needs related to their web sites.

The Department complies with relevant policies currently promulgated by Multimedia Victoria.

Women's Affairs: web site user information

170. THE HON. P. A. KATSAMBANIS — To ask the Honourable the Minister for Small Business (for the Honourable the Minister for Women's Affairs):

(a) What data collection and profiling methods are utilised by the Minister's department or by any other person on behalf of the department, to collate and store information about users of any website operated by or on behalf of the department.

(b) How is this information managed.

(c) What access or use of this information is made by the department, or by any other person on behalf of the department.

(d) What policy is in place regarding the collection and distribution of this information to any third party.

ANSWER:

I am informed that:

The Department does not have any common data collection or profiling methods in use on our websites.

Web site managers within each Branch/Agency establish and maintain process based on individual specifications and needs related to their web sites.

The Department complies with relevant policies currently promulgated by Multimedia Victoria.

Environment and Conservation: Twelve Apostles toilet facilities

186. THE HON. ANDREA COOTE — To ask the Honourable the Minister for Energy and Resources (for the Honourable the Minister for Environment and Conservation): When will the Minister make a decision on Corangamite shire's request to build a shelter and toilet on private land in a hollow with pedestrian access under the road to the Port Campbell National Park in order that the Council can commence works to provide an environmentally friendly facility for visitors to the Twelve Apostles, reduce the unsightly incidence of toilet paper and faeces and reduce the health and safety risk to such tourists.

ANSWER:

I am informed that:

The decision to build a visitor amenity incorporating shelter and toilets near the Twelve Apostles on leased private land adjacent to the Port Campbell National Park was announced on 12 December 1999.

Environment and Conservation: Kananook Creek

192. THE HON. A. P. OLEXANDER — To ask the Honourable the Minister for Energy and Resources (for the Honourable the Minister for Environment and Conservation):

(a) What plans does the department have for improving the water quality and environs of Kananook Creek.

(b) What criteria have been set for determining the success of such plans.

ANSWER:

I am informed that:

(a) Water quality will be improved through the development of a Stormwater Management Plan for Frankston. This plan will be supported by the Government's Urban Stormwater Strategy (as outlined in the Greener Cities policy) which is providing $22.5 million over four years for the development and implementation of stormwater management plans. This is a new initiative by the Labor Government.

Water quality will also be improved through Melbourne Water's continued management programs focusing on rehabilitating degraded urban waterways such as Kananook Creek.

(b) Water quality objectives for the Creek have been set by the EPA through State Environment Protection Policy (SEPP).

The stormwater management plan will be developed in accordance with the Best Practice Environmental Management Guidelines for Urban Stormwater recently released by CSIRO. The guidelines include the framework and objectives for environmental management of stormwater. The stormwater management plan itself will be developed in this context and include performance monitoring and review processes to ensure that it remains focussed on meeting its objectives. The EPA will have a role in auditing the successful implementation of the plans against their stated objectives.

Environment and Conservation: Mount Eliza Association for Environmental Care

193. THE HON. A. P. OLEXANDER — To ask the Honourable the Minister for Energy and Resources (for the Honourable the Minister for Environment and Conservation):

(a) What is the Minister's attitude to the Mount Eliza Association for Environmental Care project to seek registration of Westernport Bay and the Mornington Peninsula as an urban conservation reserve under the UNESCO International Biosphere Program.

(b) If the Minister supports the project, what support will she give to the association.

ANSWER:

I am informed that:

Biosphere reserves are areas of terrestrial and coastal/marine ecosystems which are established to promote and demonstrate a balanced relationship between humans and the Biosphere.

The 1998 French Island National Park management plan has, as a priority action, 'assessment of the feasibility of establishing a Biosphere Reserve, with the park and any adjacent marine protected areas forming the core area'. I believe that this is still the appropriate course of action given the complexity of the proposal and the number of stakeholders involved.

It is heartening to see that there is some community support for the proposal as a biosphere reserve of the type proposed would be heavily reliant on community support and participation. I have not yet received a copy of the Mt Eliza Association for Environmental Care proposal, however I will consider this report once it is received.

Environment and Conservation: Parks Victoria staff

197. THE HON. A. P. OLEXANDER — To ask the Honourable the Minister for Energy and Resources (for the Honourable the Minister for Environment and Conservation):

(a) How many part time, temporary or casual staff were employed by Parks Victoria between December and March in 1997–98 and 1998–99.

(b) How many part time, temporary or casual staff will be employed by Parks Victoria between December and March in 1999–2000.

(c) In which parks will summer rangers be employed by Parks Victoria between December and March in 1999–2000.

(d) What skills will summer rangers be required to have.

(e) Who will conduct an evaluation of the summer ranger's project and what will be the criteria for the evaluation.

ANSWER:

I am informed that:

(a) The number of part-time, temporary or casual staff employed by Parks Victoria varies from week to week. The change is dependent on seasonal requirements, *eg* weather, public holidays, school holidays, etc.

Between December 1997 and March 1998 the number of these staff varied between 106 and 109.
Between December 1998 and March 1999 the number of these staff varied between 92 and 85.

(b) The numbers employed for 1999/2000 will be consistent with previous years plus the 40 summer rangers.

(c) The Summer Rangers will be placed in a variety of locations across Victoria. No more than two will work from the same location. Whilst a number will work solely at a single park, others will regularly provide assistance to several parks in an area.

(d) In accordance with the position description the main skills required are:

- An understanding of customer needs and requirements.
- Good communications skills and ability to relate to the public when providing information.
- Knowledge of Parks Victoria's role in providing services with emphasis on national and state parks.
- Experience and/or knowledge of natural area and/or park management.
- The ability to work as part of a multi-functional team.
- Knowledge of basic park maintenance skills.
- A current Victorian drivers licence.

(e) At the end of the program each supervising Ranger in Charge will undertake an assessment of the respective Summer Ranger/s under his/her control. The main criteria used will be:

- The courtesy and accuracy of information provided to visitors (from visitor feedback and observation).
- Standard of maintenance of visitor facilities (supervision).
- Contribution to a teamwork approach to tasks (supervision).
- Ability to assess situations and implement appropriate actions (observation).

Arts: regional cinema plan

205. THE HON. A. P. OLEXANDER — To ask the Honourable the Minister for Sport and Recreation (for the Honourable the Minister for Arts):

(a) What is the furthest distance that any Victorian should be from a cinema under the regional cinemas plan.

(b) How many cinemas are expected to return to regional and rural Victorian cities or towns that do not presently have such a facility.

(c) How will the department facilitate the commercial viability of any new cinemas.

ANSWER:

I am informed that:

The Government has committed to increasing access to cinemas for people in regional Victoria. A proposal to deliver on this commitment has been developed and includes the following initiatives:

- To hold a regional cinemas conference;
- To appoint a regional cinemas liaison officer to advise on establishing new cinemas and;
- To establish a regional cinemas fund to upgrade facilities through matching funding with local government.

The Government's agency, Cinemedia operates the Cinemedia Access Collection which currently provides film and videos for hire for a minimal fee to all Victorians through their local libraries.

In 1997/98, a Regional Film Festival Program was created which provided the opportunity for regional film festivals to be established or for exiting programs to be extended.

It is anticipated that these initiatives, together with existing programs and services, will assist Government in devising strategies which will best support its commitment to regional access to cinemas.

Premier: Access Economics — Ewen Waterman

208. THE HON. R. M. HALLAM — To ask the Honourable the Minister for Energy and Resources: What is the total remuneration to be paid to Mr. Ewen Waterman from Access Economics for his work as a member of the department's Audit Review Committee into government contracts.

ANSWER:

I am informed that:

Access Economics is paid a fee of $2000 per day for services provided by Mr Waterman in his role as a member of the Government's Audit Review Committee.

Premier: Independents' entitlements

209. THE HON. D. McL. DAVIS — To ask the Honourable the Minister for Industrial Relation (for the Honourable the Premier): In relation to the three Independent Members of the Legislative Assembly:

(a) What funds, staff, travel entitlements and equipment have been or will be provided to them by the minority department beyond those provided to all other backbench Members.

(b) What is the expected cost in the years from 1999–2000 to 2001 of those benefits.

(c) How and when were those entitlements offered to them.

ANSWER:

I am informed that:

(a) Funds - refer to (b).
Staff - 3 advisers and 3 electorate officers.
Travel Entitlements - no additional entitlements.
Equipment - Office equipment including PCs and printers.

(b) $350,000 per annum.

(c) In accordance with section 4.2 of the Independents' Charter.

QUESTIONS ON NOTICE

Answers to the following questions on notice were circulated on the date shown.
Questions have been incorporated from the notice paper of the Legislative Council.
Answers have been incorporated in the form supplied by the departments on behalf of the appropriate ministers.
The portfolio of the minister answering the question on notice starts each heading.

Wednesday, 15 March 2000

Environment and Conservation: Wilsons Promontory world heritage listing

188. THE HON. ANDREA COOTE — To ask the Honourable the Minister for Energy and Resources (for the Honourable the Minister for Environment and Conservation): In respect of Wilson's Promontory:

(a) Has the department prepared a draft case for Wilson's Promontory to be listed under the World Heritage conventions.

(b) Will there be public consultation on this issue; if so, what will be the public consultation process.

(c) Has the Minister received advice on the suitability of Wilson's Promontory for World Heritage listing; if so, what advice was given.

(d) What actions does the Minister intend to take in respect of Tidal River and its status.

(e) When will a new integrated management plan be developed for the Promontory.

(f) When will the government's policy incorporate the lighthouse into the national park and what are the Minister's plans for the lighthouse.

(g) What government accommodation is planned for inside and outside the park.

(h) What commercial accommodation is planned for inside and outside the park.

ANSWER:

I am informed that:

(a) The department has not yet prepared a draft case for Wilsons Promontory to be listed under the world heritage convention. However, a draft report on the international values of Wilsons Promontory will be prepared to provide the basis for pursuing a nomination for world heritage listing. This report will be available for public consultation.

(b) A draft report will be prepared as a basis for public consultation.

(c) The minister has been advised that to date there has been no detailed assessment of Wilsons Promontory in a world heritage context. World heritage listing would increase local and national pride in the park and encourage protection of the area from inappropriate commercial development.

(d) The government's policy is that Tidal River will be managed as an integral part of Wilsons Promontory National Park, and that the focus is on nature conservation. A new integrated management plan being developed for the park will address the future management of Tidal River in the light of government policy and stakeholders' concerns.

(e) It is intended that the new integrated management plan will be completed by November 2000.

(f) The government's policy is to incorporate the lighthouse into the national park. The new management plan will address the future use of the lighthouse.

(g) The new management plan will address the issues associated with accommodation inside the national park.

(h) The Government's policy is that commercial development, such as new hostels, roofed accommodation and other major tourist facilities should be located outside the park.

Environment and Conservation: weed management

196. THE HON. A. P. OLEXANDER — To ask the Honourable the Minister for Energy and Resources (for the Honourable the Minister for Environment and Conservation): With reference to the departmental press release of 16 November 1999 entitled "Tiny Natural Enemy Challenges Alpine Weed" in which it is stated that the department has a commitment to implementing "more cost-effective approaches to weed management on public land":

(a) What are the "more cost-effective approaches to weed management on public land".

(b) What departmental resources will be applied to weed management in each of the financial years from 1999–2000 to 2002–03.

ANSWER:

I am informed that:

(a) One of the most cost-effective approaches to weed management on public land involves the use and implementation of biological control for various weeds. Current biological control projects within NRE include weeds such as Blackberry, English Broom, Paterson's Curse, Thistles, Horehound, Ragwort, and Bridal Creeper. Other potentially more cost-effective approaches include rapid action for eradicating emerging weeds so that weeds of potentially high impact are eliminated before they have a chance to establish over wide areas.

(b) In 1999-2000, the NRE Pest Plants and Animals Program is using approximately $8m of State government funds to manage weeds, with particular emphasis on extension, research, enforcement and community grants. An additional $1m (approximate) is being spent on Good Neighbour weed projects on public land this year.

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