

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

LEGISLATIVE COUNCIL

FIFTY-FOURTH PARLIAMENT

FIRST SESSION

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Tuesday, 11 April 2000

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

ROYAL ASSENT

Message read advising royal assent to:

**First Home Owner Grant Act
National Taxation Reform (Consequential Provisions)
Act**

ADMINISTRATION AND PROBATE (DUST DISEASES) BILL

Introduction and first reading

Received from Assembly.

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

EDUCATION ACTS (AMENDMENT) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of **Hon. J. M. MADDEN** (Minister for Sport and Recreation).

ROAD SAFETY (AMENDMENT) BILL

Introduction and first reading

Received from Assembly.

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

TRADE MEASUREMENT (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

Industrial relations: task force

Hon. M. A. BIRRELL (East Yarra) — I refer the Minister for Industrial Relations to discussions she had with the Trades Hall Council in February when she promised that a committee would be set up to inquire into state industrial relations laws. Given that trades hall was told union interests will 'have the numbers on the committee and there will be a compliant independent chair' will the minister ensure that the committee she is planning to set up has a majority of members who are truly independent and who are not already beholden to Australian Labor Party policy on this matter?

Hon. M. M. GOULD (Minister for Industrial Relations) — As I said last week, following the summit the government is looking at establishing a task force. I hope to make an announcement on the composition of that task force very shortly.

Industrial relations: government policy

Hon. G. D. ROMANES (Melbourne) — Will the Minister for Industrial Relations inform the house of the principles that guide the Bracks government's approach to industrial relations matters?

Hon. M. M. GOULD (Minister for Industrial Relations) — I am pleased to advise the house that I have developed a set of guidelines and a statement on industrial relations and how it will be handled by the Bracks government. The statement is an important part of the Bracks government's commitment to growing the whole of the state and sharing that growth among all Victorians.

The key principles, something the opposition has difficulty understanding, are, firstly a cooperative relationship between employees, employers and their representatives, with a legitimate role for unions. The second is encouraging negotiated outcomes that will benefit all Victorians. The Bracks government supports conciliation, and the option of arbitration should also be available to parties.

Thirdly, the government condemns the deficiencies in the federal industrial relations system and the way it applies in Victoria. The government is taking steps to ensure that changes. Fourthly, unlike the previous government, this government is committed not to take sides in industrial disputes but to act as an honest broker. When in government the opposition was not an honest broker.

Fifthly, the government notes that as a result of the previous government's policy a large section of the Victorian community was disadvantaged by changes in the industrial relations system. The Bracks government will work together cooperatively with all parties to ensure that it addresses the issue that has left Victorians discriminated against because of the previous government's action.

Employment Advocate: report

Hon. B. C. BOARDMAN (Chelsea) — I refer the Minister for Industrial Relations to a report compiled by the commonwealth Employment Advocate last year who investigated the benefits of Australian workplace agreements (AWAs) in the Victorian public sector. The minister would be well aware that three-quarters of respondees indicated they agree or strongly agree with the benefits of their individual AWAs. After considering that will the minister explain to the house why she is refusing to make the report public?

Hon. M. M. GOULD (Minister for Industrial Relations) — This issue was raised yesterday in federal Parliament by Mr Reith. I am happy to advise the house that I have not sighted such a report. I have given no directions on its release. Given the recent determination by the Australian Industrial Relations Commission with respect to compensating Victorian public servants who are not on AWAs —

Honourable members interjecting.

Hon. M. M. GOULD — I have not seen it. The commission indicated that those Victorian public servants not on AWAs should be compensated.

GST: small business

Hon. KAYE DARVENIZA (Melbourne West) — Will the Minister for Small Business inform the house what action she has taken as a result of recent surveys into goods and services tax (GST) readiness among small businesses?

Hon. M. R. THOMSON (Minister for Small Business) — On a number of occasions I have spoken about the lack of readiness of small business to comply with the goods and services tax (GST) time line of 31 May for registration of Australian business numbers (ABNs).

A survey by Dunn and Bradstreet reported in the media this morning that of almost 870 executives surveyed 70 per cent of companies admit they will not be ready for the goods and services tax. Overwhelmingly, big business is ready for the GST but small business is not.

That is a dangerous situation for small business. Big business will not do business with businesses that do not have ABNs. That has serious consequences for small business.

I am pleased to announce that I will raise the consequences of the GST's implementation on small business at the small business ministers council meeting in July. I have written to the federal financial services minister asking for leniency to be shown to small businesses that have been unable to register for ABNs and are unlikely to meet the deadline. I hope small business will be given an extension beyond 31 May.

Bayside Trains: industrial dispute

Hon. D. McL. DAVIS (East Yarra) — What direct action did the Minister for Industrial Relations take to ensure the prompt resolution of the dispute involving Bayside Trains last week?

Hon. M. M. GOULD (Minister for Industrial Relations) — The dispute between the private operator and the union was negotiated, and discussions were held with the parties through the Australian Industrial Relations Commission. As I indicated earlier, the government is an honest broker and does not take sides in such matters.

Youth: ministerial council

Hon. JENNY MIKAKOS (Jika Jika) — Will the Minister for Youth Affairs inform the house of the outcome of the recent national Ministerial Council of Education, Employment, Training and Youth Affairs?

Hon. J. M. MADDEN (Minister for Youth Affairs) — I had the opportunity to represent the young people of Victoria at the national Ministerial Council of Education, Employment, Training and Youth Affairs (MCEETYA) where a number of issues significant to Victoria were on the agenda.

Three issues of particular significance to Victoria were agreed by MCEETYA to become national research projects for 2000. Firstly, youth services in Victoria are provided by a wide range of providers and there is potential for greater integration and coordination with local government playing a key role. Secondly, in respect of youth and citizenship, the perceptions of young people and the notion of citizenship, the Victorian government is committed to encouraging and enabling young people to become more involved in government decision making. The third issue concerned volunteerism and young people. The Victorian Youth Development program incorporates volunteerism as a key component. Volunteerism is seen as a way of

improving young people's feelings of self-worth and connectedness to the community

State and Regional Development: director resignation

Hon. BILL FORWOOD (Templestowe) — I refer the Minister for Small Business to the fact that Mr Mark Brennan, Executive Director of Small Business and Regulation Reform resigned last Friday. Is it a fact that Mr Brennan took that action because the minister has totally downgraded his critical job by shifting responsibility for, firstly, small business policy and, secondly, regulation reform out of the small business portfolio?

Hon. M. R. THOMSON (Minister for Small Business) — I thank the honourable member for his question regarding the restructure in the Department of State and Regional Development which led to Mark Brennan terminating his time with the Department of State and Regional Development. The government was concerned that small business was not accessing all the initiatives of the Department of State and Regional Development. Under the recommendations of the department, it was felt that a restructuring of the whole department would give broader access across all sections of the department to ensure small businesses were accessing all programs available to them.

Because of the need to ensure small business was being fully serviced across the state and regional development portfolio it was decided small business access needed to be ensured. On that basis it was decided that I would have more influence over the whole department rather than less and that sections would be integrated to ensure greater whole-of-department response to small business.

Small business: information technology

Hon. D. G. HADDEN (Ballarat) — Will the Minister for Small Business inform the house what the government is doing to encourage the use of information and communications technology in Victorian small business?

Hon. M. R. THOMSON (Minister for Small Business) — I have spoken in the house before about the importance the government places on small business. I am pleased to be able to say the government initiative known as the Victorian E-commerce Early Movers scheme has received a 95 per cent local council response. The scheme is about ensuring state government and councils work together to encourage small business to take up e-commerce.

The government hopes within the next couple of months to be able to announce the outcomes of those applications. The government is looking forward to working with local government to ensure small business takes advantage of e-commerce. Councils have advised that they can assist in a number of ways. It is important that the government and councils work in partnership to advance the uptake of e-commerce at a local level.

Small business: taxes and charges

Hon. R. A. BEST (North Western) — Given that the government has indicated there will be increases to Workcover premiums and has this week announced approval for municipalities to increase rates, will the Minister for Small Business cite any document that demonstrates the level of representation she has made on behalf of the Victorian small business community to limit the significant increases occurring in government taxes and charges?

Hon. M. R. THOMSON (Minister for Small Business) — My responsibility is to look after small business and advocate on behalf of small business inside the cabinet. I take up that task with vigour.

Port and marine authorities

Hon. E. C. CARBINES (Geelong) — Will the Minister for Ports inform the house of recent appointments to the boards of port and marine statutory bodies?

Hon. C. C. BROAD (Minister for Ports) — I am pleased to advise the house of a number of significant appointments to port and marine boards and statutory bodies, which undertake important responsibilities on behalf of the government. In the first instance the Marine Board of Victoria, which is responsible for implementing effective marine safety and oil pollution response arrangements, has appointed as chairperson Dr Ian Johnston, who continues his chairmanship from the previous board and will provide continuity. He has extensive experience in transport safety administration.

The other new appointments include Mr Peter Morgan, master mariner and former chief executive of the port of Geelong; Dr Jennifer Morris, director of the Transport Research Centre at RMIT University; and Mr Mark Curry from the Department of Infrastructure.

Mr Alan Taylor has been appointed to the Victorian Channels Authority, which has important responsibilities for establishing and maintaining channels. Formerly a marine engineer with BHP,

Mr Taylor has a 43-year association with industry. He will add important skills to that board.

Last but not least, appointments to the board of the Melbourne Port Corporation include Dr Chris Whitaker, recently appointed chief executive officer. He has extensive port experience. Other appointees include Ms Kathleen Townsend, who operates her own executive search business, and Dr Owen Donald, who has had extensive experience with the commonwealth government. He is currently the executive director of the Australian Housing and Urban Research Unit. Those appointments underline the government's commitment to maintaining and further developing professional management and leadership strengths in those key statutory organisations.

LOCAL GOVERNMENT (GOVERNANCE) BILL

Introduction and first reading

Hon. C. C. BROAD (Minister for Energy and Resources) introduced a bill to amend the Local Government Act 1989 and the Libraries Act 1988 and for other purposes.

Read first time.

DISTINGUISHED VISITORS

The PRESIDENT — Order! I welcome to the gallery of the Legislative Council the Commonwealth Parliamentary Association study tour delegates from the Cook Islands, Fiji, the Solomon Islands and Tonga. I am sure honourable members will make them welcome.

BUSINESS REGISTRATION ACTS (AMENDMENT) BILL

Introduction and first reading

Hon. M. R. THOMSON (Minister for Small Business) introduced a bill to amend the Associations Incorporation Act 1981, the Business Names Act 1962, the Co-operatives Act 1996 and the Partnership Act 1958 to facilitate electronic service delivery for registration services provided under those acts, to make other miscellaneous amendments to those acts and to amend the Fair Trading Act 1999 and other acts and for other purposes.

Read first time.

FEDERAL COURTS (CONSEQUENTIAL AMENDMENTS) BILL

Introduction and first reading

Hon. M. R. THOMSON (Minister for Small Business) introduced a bill to make further amendments consequential on the matters dealt with by the Federal Courts (State Jurisdiction) Act 1999 or by commonwealth legislation relating to federal courts and tribunals and for other purposes.

Read first time.

ADOPTION (AMENDMENT) BILL

Introduction and first reading

Hon. M. R. THOMSON (Minister for Small Business), by leave, introduced a bill to amend the Adoption Act 1984 to give effect to the Hague Convention on Protection of Children and Cooperation in respect of Intercountry Adoption and to certain bilateral arrangements for intercountry adoption and for other purposes.

Read first time.

PAPERS

Laid on table by Clerk:

Auditor-General — Report on Test calls made to non-emergency ambulance telephone lines, April 2000.

Crown Land (Reserves) Act 1978 — Minister's Order of 6 April 2000 giving approval to granting of leases at Lake Boga and Whittlesea.

Gascor (TH) Pty Ltd — Financial Statements for the period 1 July 1998 to 2 June 1999.

Goulburn Valley Regional Waste Management Groups — Minister for Environment and Conservation's report of 5 April 2000 of receipt of the 1998–99 report.

Planning and Environment Act 1987 — Notices of Approval of the following amendment and a new planning scheme:

Ararat Planning Scheme.

Kingston Planning Scheme — Amendment C5.

Statutory Rules under the following Acts of Parliament:

Architects Act 1991 — No. 25.

Police Regulation Act 1958 — No. 23.

Subordinate Legislation Act 1994 —

Ministers' exemption certificate under section 9(6) in respect of Statutory Rule No. 23.

AUDITOR-GENERAL**Ambulance test calls**

The PRESIDENT — Order! I desire to make a statement in relation to the report of the Auditor-General on test calls made to non-emergency ambulance telephone lines, which has just been tabled.

I am advised that the report contains some references to matters that are covered by the terms of reference of the Metropolitan Ambulance Service royal commission. Consideration must therefore be given to how the sub judice rule might be applied in relation to matters referred to in the report that might be raised in the house.

The sub judice convention is a restriction on debate that the house imposes upon itself so that the proceedings before a court will not be prejudiced. The application of the convention is at all times subject to the discretion of the Chair, which will always have regard to the ability of members to raise matters of concern.

While the application of the sub judice rule is well documented in relation to proceedings before the courts, the convention has also been applied in respect of royal commissions. However, the extent to which the rule should apply to such commissions is not quite as clear.

The application of the sub judice rule in relation to royal commissions is well summarised in the *House of Representatives Practice*, third edition, at page 484, as follows:

Although it is clear that royal commissions do not exercise judicial authority, and that persons involved in royal commissions are not on trial in a legal sense, the proceedings have a quasi-judicial character. The findings of a royal commission can have very great significance for individuals, and the view has been taken that in some circumstances the sub judice convention should be applied to royal commissions.

The *House of Representatives Practice* goes on to make reference to how the rule has been applied in recent times:

The contemporary view is that a general prohibition of discussion of the proceedings of a royal commission is too broad and restricts the house unduly. It is necessary for the Chair to consider the nature of the inquiry. Where the proceedings are concerned with issues of fact or findings relating to the propriety of the actions of specific persons the house should be restrained in its references. Where, however, the proceedings before a royal commission are intended to produce advice as to future policy or legislation they assume a national interest and importance, and restraint of comment in the house cannot be justified.

As the royal commission is continuing and the terms of reference deal with the activities of individuals the Chair needs to determine a balance between the need to preserve the integrity of the royal commission and the need to allow discussion on matters in the public interest.

In this instance I believe the overriding principle must be to ensure that the operations of the royal commission are not prejudiced. I therefore advise members that they may canvass the general issues raised in the report during debate in the house, but members should refrain from discussing matters that are specifically before the royal commission, unless it can be clearly demonstrated that such discussion would be in the public interest.

Mr Speaker will make the same statement relating to the report in the Legislative Assembly.

FINANCIAL MANAGEMENT (FINANCIAL RESPONSIBILITY) BILL*Second reading*

Debate resumed from 4 April; motion of Hon. C. C. BROAD (Minister for Energy and Resources).

Hon. R. M. HALLAM (Western) — Since the very first day I entered Parliament and discovered the absolutely lamentable basis on which it reported its operations to the Victorian community I have undertaken a personal campaign to do something about the standard of financial reporting across the public sector in the state. Some of my colleagues would describe it more as a crusade than a campaign. My earliest experience — —

Hon. M. M. Gould — It was a crusade.

Hon. R. M. HALLAM — Thank you; I am pleased to have that interjection by the Leader of the Government on the record.

My earliest recollection of the issue is receiving my very first budget shortly after becoming a member of this place. As an aside I must say that my National Party colleagues made much of my election to Parliament and made me feel welcome, partly on the basis that I had a background in accounting and therefore should automatically accept responsibility for every bill with a dollar attached to it that came into this place. I quickly became the National Party spokesperson on financial affairs.

I took home the budget that was delivered shortly after my election. I recollect it was thick and comprised

seven volumes — which I actually read. I may be one of the few members of Parliament to have read a budget from cover to cover, but I slavishly did so. On the Sunday night I rang my leader at the time, the Honourable Bernie Dunn, and reported to him that I had read the budget and had a number of questions. My first question was, ‘Where is the rest of it? I do not believe this can possibly be the budget documents relating to the operation of the public sector in Victoria’. I explained to him that if he had brought the documents to me in my professional capacity as an accountant I would have asked him to go home and complete them and made the points that they would certainly not have passed the Corporate Affairs Office Victoria, that the Commissioner of Taxation would have had a fit and that they were remarkable more for what they did not say than for what they did say.

I asked my leader to advise me what I should do. He replied, ‘I think you have just written your first speech’. I did not deliver that speech because I was young and feeling my way in Parliament.

Hon. J. M. Madden — I do not believe it.

Hon. R. M. HALLAM — You should, Minister, because we all start at the beginning. I did not deliver the speech the first year, but I delivered great slabs of it the next, because as time unfolded I became even less impressed with the reporting process.

The government had the crudest form of cash accounting system I had ever come across, so I decided to do something about it. During the intervening 15 years, I have had the good fortune to serve with you, Mr President, on the very first estimates committee, the Public Accounts and Estimates Committee, and for several years as the Minister for Finance. During that time I have seen many changes, particularly in respect to public sector reporting. I recall the introduction of performance audits and the shivers that it sent through ministers at the cabinet table. Some of my colleagues still wonder about the wisdom of introducing performance audits. Those audits did more for discipline being introduced into government than anything else. There was the conversion from cash accounting to accrual accounting and the difficulties that parliamentary draftsmen had with the concept of an appropriation bill based on the financial commitments of government rather than cash flow. It was difficult to draft a bill that set out the government’s financial commitments rather than its cash flow commitments. I also recall the introduction of whole-of-government reporting. I played a part in the introduction of the first balance sheet for the state of Victoria and the move to reporting outcomes.

I cannot claim credit for all those changes, but as the Minister for Local Government I had the opportunity of introducing many of those concepts. Later, as Minister for Finance I also had the opportunity of introducing many of the decisions culminating in the bill before the house today.

I am proud of the personal thumb print that appears on many of those changes. The passage of this bill will ensure that the manipulation of government accounts as occurred in the 1980s, when it was endemic, will no longer be possible. It will no longer be feasible for governments of any persuasion to manipulate the outcome of a trading period. Governments will not have the opportunity to dress down or dress up, camouflage or manipulate government accounts. Those sad events that occurred during the 1980s will never be repeated. That of itself is a good legacy. Given that personal background and involvement, I welcome the bill.

I acknowledge that the bill will take financial sector reporting several steps forward. I am happy to give credit where it is due. This is good legislation and I personally applaud the Bracks government for the initiative that underpins it.

Hon. T. C. Theophanous interjected.

Hon. R. M. HALLAM — Mr Theophanous should not get too excited, because I am only beginning my contribution. The bill will help strengthen the accountability of executive government to Parliament and through Parliament to the Victorian community. It would be hard for anyone who understands that concept to do anything other than support the legislation. I have an advantage over some honourable members. I was a member of the house during the 1980s and I recall the track record of the then Labor government, so I understand the government’s motivation to introduce the bill. The government is driven by its recognition that Labor’s reputation as a financial manager, as the keeper of the public purse, has been dreadfully tarnished. It knows that during the 1980s under premiers Cain and Kirner there was example after example of connivance and contrivance to shield and avoid the reporting of the true picture of government accounts. That history is embedded in the psyche of the Labor Party.

I do not want the proposed legislation to be depreciated by some explicit criticism of the government’s underlying motivation. The legislation is even more meritorious given the government’s motivation. It recognises that the reputation of Labor governments as financial managers is on the nose.

Hon. T. C. Theophanous — Rubbish.

Hon. R. M. HALLAM — You can argue as much as you like, Mr Theophanous. I look forward to your contribution. The Bracks government recognises that the experiences of the 1980s left the Labor Party with a tainted reputation. It has decided to do something about it. It is exactly the same motivation that drove the current Premier to get Access Economics to sign off on the Labor Party's election promises. The legislation ups the ante by several steps. It puts much greater discipline on governments of all political persuasions and, therefore, is good and deserves support. It keeps alive the state's reputation as the leader of the pack in financial reporting. I give credit where it is due. I am not persuaded by the minister's statement in the second-reading speech that it, among other things, is the first legislation of its type in Australia and contains world-first provisions. That is a bold claim. I do not think even Mr Theophanous would want that claim perpetuated, especially as he knows that some honourable members have been in this place as long as he has. However, I will not challenge those claims because it is a part of the Labor government's determination to increase the height of the high-jump bar. The government is putting the bar at a high level but it has not yet commenced its run-up. It is important that the house recognises what the bill is doing.

The biggest and most effective driver of financial accountability is reporting standards. That applies to any venture of any kind and is not restricted to the public sector, the government or Parliament. It is not rocket science. The ultimate objective in reporting standards is to provide meaningful information in a timely manner. Those two criteria are not necessarily compatible. It is not much good if the information arrives too late to be helpful or if it is not comparable even if it is technically accurate. The report has to tell the real story, but in time for the stakeholders to react. Good reporting, whatever else is said about it, has two major beneficiaries. The first are public sector managers and officers who rely on the information they are provided with to make their decisions. The objective should never stray. It should be to have managers make informed decisions. Reporting standards are directed to get the best possible data and information to those responsible for management decisions. The second beneficiaries are the stakeholders. It is important that they have meaningful and worthwhile information to judge their investment. Perhaps that is the first test of stewardship.

I wholeheartedly endorse the concept of this statement in the second-reading speech:

This government is not afraid of exposing its financial operations to scrutiny.

Hon. T. C. Theophanous — Hear, hear!

Hon. R. M. HALLAM — I hear Mr Theophanous say, 'Hear, hear!'. Where was he in the 1980s? That is a fundamental turnaround from when Labor last had control of the Treasury benches. It is a step in the right direction, and I for one am determined not to look a gift-horse in the mouth. Whatever can be said about the government's motivation, it is clear that the Labor Party has now hitched its wagon to three fundamental objectives.

The government parrots its objectives almost ad nauseam: firstly, the concept of sound financial management; secondly, the concept of financial responsibility; and thirdly, the concept of exposure to scrutiny.

What is more — honourable members will be pleased to know there is more; it is like the Demtel ad — the government says Labor is prepared to nominate specific benchmarks against which it is prepared to be judged in the future, benchmarks against which the public is invited to attest whether the objective nominated is being achieved, and to monitor whether the government is complying with commitments given in advance.

I refer to some of those specific benchmarks, and there are several of them. The first is the clearest possible undertaking, in fact it is said to be a pledge, to maintain a substantial budgetary surplus. That has been repeated on several occasions, and it is included in the second-reading speech in a number of forms. It must be made clear that it is not just a commitment about the budget we can expect to see in the next few days; it is not just about the current financial year. It is put on the public record as being conceptually adopted by the Australian Labor Party in government. It is nominated as a central plank of what is described as financial responsibility. It is set out in a document published by the Australian Labor Party when in opposition as a base from which future governments must not stray. I pause to cite the source of the quote: it is a document headed 'Financial responsibility — getting the budget basics right', signed by Steve Bracks, Labor leader, Labor Treasury spokesperson, and authorised by John Lenders, state secretary of the ALP Victorian branch. The document is not dated, but it was in my possession in the days just prior to the state election in September of last year, so it is a very up-to-date document to which I shall refer many times during my presentation.

The document refers to how the substantial budgetary surplus shall be employed. It takes the benchmark a step further and says that not only will there be this substantial surplus, but this is how it will be applied. I again refer to the document I have just cited, which states that the surplus shall be used primarily to fund infrastructure. It shall also be used to further tackle state debt, and it is also identified as being the basis upon which the remaining unfunded liability in superannuation shall be addressed.

The budgetary surplus commitment is not just for today. The Labor government is saying, 'This is how we shall employ it in the long term as well'. That is the first clear benchmark.

The second benchmark offered is that the budget sector debt shall be 'contained'. That is the terminology used in the document, and it explains that it shall be 'contained' for this purpose: 'so that interest charges don't cut funds for better services'. It is another benchmark; public sector debt shall be contained. It is incredibly significant that it is a Labor government making that commitment, given the recent experience in Victoria. Under Labor public sector debt tripled in approximately nine years. It peaked at about \$33 billion, a massive burden passed on to future generations of Victorians. It was under the Kennett coalition government that public sector debt was contained and brought back to a manageable level of between \$5 billion and \$6 billion. Here is a classic benchmark figure being offered by the Bracks government.

Hon. T. C. Theophanous interjected.

Hon. R. M. HALLAM — You will have your opportunity, Mr Theophanous. The third benchmark which is laboured — I use the word advisedly — is the retention of Victoria's AAA credit rating, which was laboriously recovered under the Kennett–Stockdale regime. In the second-reading speech the credit rating is acknowledged as being an important benchmark, and it is described in this way:

Our AAA credit rating is a clear signal to investors that Victoria has got its fundamentals right.

Labor is saying, 'Here is another test for the community to use to see whether we are meeting our commitments'.

On the subject of Victoria's AAA rating, the casual reader of the second-reading speech could be forgiven for concluding that the unprecedented recovery over recent years is all due to the work of the Bracks Labor government. It is a bit cheeky, at best, for the Labor

government to be claiming credit for the recovery of Victoria's credit rating. Victoria did have a AAA credit rating ranked by both rating houses under the Kennett coalition government. Victoria had that rating before Labor came to power, and it was under Labor that Victoria's credit rating was downgraded to the point where about the only good thing we could say was that we out-ranked a few of the South American states. It was clear that the international financial market had taken a dim view of Victoria's standing and status. So before history is re-written in the form of the bill, I make the point that we are only now getting Victoria's credit rating back to the status it enjoyed before Labor and the 1980s happened to cross our path.

I acknowledge that Victoria's credit rating is a crucial benchmark and should be employed to determine performance in the future. I refer again to the document I cited previously and note that Labor's pledge to keep the Victorian budget in substantial surplus is just the starting point. The high-jump bar is being lifted even higher, and we should therefore be applauding that process.

Hon. T. C. Theophanous — You should be.

Hon. R. M. HALLAM — I thought I was. I was offering credit where it is due.

Within that document further quite specific benchmark commitments are outlined. Motherhood statements are also made, such as 'no waste occurs under Labor'. How does one prove that? 'Competitive taxes and charges' — one could argue about that all day. The third comment is about 'fair, open and accountable processes'. How often do we hear about that? I will leave those statements to one side because of their subjectivity and turn to the specifics referred to in the pledge: that the annual substantial budget surplus is but the starting point.

I turn specifically to taxes and charges. The Labor Party in opposition stated that taxes and charges were much too high across Victoria and that there was a substantial margin above the national average. I recall that the document referred to a figure of \$314 million as being the margin between the taxes and charges applied in Victoria and the national average. If you are still unclear, the same document equates that to \$70 per head.

The Labor government's specific undertaking is, 'We have to get taxes and charges down by \$70 per head to meet our pledge of matching the national average'.

Hon. T. C. Theophanous — You put them up.

Hon. R. M. HALLAM — You will have your turn, Mr Theophanous. Under the heading ‘Proper evaluation of capital expenditure’ the government lists its commitment — here is the high-jump bar again. On page 7 of the document on financial responsibility I cited earlier the government says that its infrastructure projections and undertakings will be subject to a full cost-benefit analysis and financing arrangements and the full assessment of public risk will be subject to independent verification.

That is a clear lift of the high-jump bar. Nobody will be under any misapprehension as to what that will involve and how it will be applied to the Labor government in the future. I have included that reference as a benchmark rather than a commitment on two grounds: firstly, because it is spelt out in detail in the document to which I referred; and secondly, because of the government’s claim and its taunt across the chamber that it will operate in an open and accountable fashion. Therefore, I presume the evaluation of capital expenditure of which it speaks will become publicly available. Hence the actual release of the information rather than its content becomes the primary test of meeting that benchmark. I make it clear that I expect the Labor government to meet that commitment on every proposal dealing with capital expenditure. It is now on the public record.

The bill is all about financial responsibility. By introducing it to Parliament the Bracks government is effectively saying, ‘This is what we mean by financial responsibility; here are the criteria and the tests. We expect not just the opposition but the Victorian community to judge whether we have delivered on the commitments given in advance’. The opposition’s position can be summed up simply: yes, it acknowledges that the major objectives of the bill are consistent with the concept of financial responsibility; yes, the opposition is happy to support the legislation; and, yes, the government can rest assured the opposition will use the nominated benchmarks to monitor performance.

Whatever else happens, Labor will be held accountable — that is the job of the opposition. That would have happened anyway, but the opposition is pleased to obtain the details of the high-jump bar and for Labor to say, ‘These are the tests we want you to apply’. It can rest assured the opposition will do just that.

The opposition will not be persuaded by the rhetoric. It will not be convinced by whatever is said, however florid or laudable. The opposition wants the results and the outcomes on the table. The Labor government may

say it has reformed itself, but it has a long way to go! I experienced the 1980s; I might hear the government say it has seen the error of its ways, but that is only talk. Talk is cheap. The Labor government will now discover it is easier to snipe from the sidelines and retire hurt when the pressure is applied; now it does not have the luxury of walking away. Now the government is required to deliver, and the opposition is responsible for ensuring that happens. The opposition will be there every day — morning, noon and night — to look at every move and every time the government shifts to make sure it delivers on its promises.

Hon. S. M. Nguyen interjected.

Hon. R. M. HALLAM — I am happy to have that interjection on the record. We will be there, down every burrow, to make you meet your commitments, Mr Nguyen, and to watch what you deliver to Victorians.

What has changed since the 1980s? Why should we not take all the sweet talk from the government on face value? The personnel or faces have changed. In many instances the opposition is prepared to say the government has changed for the better, and its members may feel good about that, but the talk has not changed. I heard similar rhetoric when I was a member of this place under the Cain and Kirner governments; I heard the same platitudes about responsible reporting.

Hon. K. M. Smith — Theo is still here.

Hon. R. M. HALLAM — That’s right, and neither have the structures changed. The Labor Party still has its dysfunctional factions and crazy loyalties.

Hon. T. C. Theophanous interjected.

Hon. R. M. HALLAM — We hear about all the same background music, all the tired faces, all the debts that must be met.

Hon. K. M. Smith — All their mates from the Trades Hall Council.

Hon. T. C. Theophanous interjected.

Hon. R. M. HALLAM — You can make light of it, Mr Theophanous, but we will be watching like hawks; we will be watching you every step of the way. We will be looking for every falter or failure to meet your undertakings. Every query must be reported on.

Before I leave that issue, my advice to the government is not to be fooled by the honeymoon concept or the popularity polls; they come and go. I have seen them

revolve many times. They may come and go, Mr Theophanous, but I will not—I will be here every day watching you like a hawk.

I now refer to the mechanics of the bill and explain how the Labor government says its new-found responsibility shall be delivered. The mechanics of the bill fall into three quite separate categories. I shall treat each separately because each is important.

The first category is the new reporting requirements and format that are dramatically different from those of the past. The first is the statement titled 'Financial policy objectives and strategies statements'. That statement, in proposed new section 23E inserted by clause 4, discloses that two statements will be made each year: one will be tabled with the budget and one will be tabled or distributed with the budget update. I will return to that issue later.

Proposed new section 23F explains that the statement is designed:

... to make transparent the government's financial strategies and to establish a benchmark for evaluating ...

That statement is important. Proposed new section 23G specifies content, and it makes good reading. I am happy to put on the record that had I been given the challenge I do not think I could have got the terminology better. It says everything that should be said about the concept of financial responsibility.

Hon. T. C. Theophanous — You had your chance to do it; why didn't you?

Hon. R. M. HALLAM — I commend the architect of the legislation, Mr Theophanous. Proposed new section 23G says that the statement shall include the government's long-term financial objectives; broad strategic priorities and short-term financial objectives; the key financial measures that the government has identified as important and targets for those measures; the relationship between the government's objectives and priorities and the principles of sound financial management; any temporary financial measures undertaken by the government and the reasons for them; the process for their strict reporting bases for subsequent financial reports; and any changes from the previous statement.

It is all there — I could not have said it better. I can think of nothing else that should have been included. Out comes the bouquet, Mr Theophanous: the provision says everything that should have been included in such a statement.

Proposed new section 23H contains the second of the new financial statements. It refers to the estimated financial statements that will be required to be attached to the budget each year.

That is the major shift in commitment to financial responsibility. As the name suggests, the estimated financial statement outlines the underlying policies and assumptions on which the budget is constructed. It includes the three standard accounting statements — that is, to track financial performance, report on financial position, and report on cash flow over the year about to commence. In other words, it is projecting the old concepts of profit and loss balance sheets and funds statements. More importantly, it does not do it just for the budget year being considered; the bill requires that those statements be projected into the three years beyond.

The clause notes to the bill explain that proposed new section 23K requires the estimated financial statements to have an accompanying statement, which comprises a statement of the economic and other assumptions on which they are based, a discussion of the sensitivity of the estimated financial statements to changes in the assumptions, an overview of estimated tax expenditures, and a statement of risks that may affect the estimated financial statements.

Critically — here comes the crunch — proposed part 3A of the Audit Act requires the Auditor-General to review and report to Parliament when that statement is tabled with the budget. That is the supposed guarantee that the delivery of a substantial surplus each year is overseen by the Auditor-General and, further, that Labor has met its guarantee of a substantial budgetary surplus.

I wanted to return to that because the one very big hole in this bill relates to that matter. No-one can claim that the estimated financial statements, as endorsed by the Auditor-General, constitute the terminology applied by Labor in its financial responsibility document. Labor's claim is that if the Auditor-General has overseen the process Labor has met its guarantee. That is not the case. The bill highlights the fact that it would be inappropriate for the government to try to deliver on that commitment.

I have outlined the first two of the new financial reports. The third is the annual budget update. That requires the government to table or circulate an updated progress report to at least the end of October in each year, although it may be a longer period. Its purpose is to allow a casual observer to assess current performance against the budget for the period that has

transpired when it reports on the previous year's operations. We can now expect the government to bring in the report on the year ended 30 June and at the same time provide a progress report on how we are going as measured against the budget that is current at that time. Again, I offer my support for the concept. It gives a level of supervision and examination that simply has not been there in every circumstance in the past.

The fourth report mentioned is the annual financial report. That is not a new one. It is the traditional report we are invited to use each year to assess performance of government and stewardship of the public purse. But the bill expands the range of information that now must be included in the annual financial report.

Hon. T. C. Theophanous — Do you support that?

Hon. R. M. HALLAM — I do indeed, Mr Theophanous, and I'm happy to have it on the record.

Hon. T. C. Theophanous — Why didn't you do it?

Hon. R. M. HALLAM — In fact, we did. The bill now says that it shall be mandatory that the annual financial report include advances to the Treasurer and payments made or received under a guarantee or indemnity issued by government. The minister's second-reading speech acknowledges that that has been reported in the past, but the change in this bill means it will be obligatory from here on — it becomes a statutory obligation rather than a discretion.

The bill also requires a mid-year report under proposed new section 25, which covers similar information to the annual financial report but which covers the first six months of the financial year — so we get a real-time update. The last of the changes in annual reports is referred to in proposed section 26, which requires quarterly reports on the financial performance of the budget sector, a statement of financial position, a statement covering cash flows, and confirmation of the accounting policies on which the first three are based. Again, I support the expansion in reporting.

While I am mentioning reports, although it is not an annual report, I refer to one that I most certainly support. In fact, in my wish list as Minister for Finance I had this as the second last item, and now it is being delivered under a Bracks government. I refer to what is called an exit audit. The bill requires that when a writ is issued for a general election the Secretary of the Department of Treasury and Finance is required under the law of the land to issue a pre-election budgetary update. The bill gives very clear directions about what information is to be included in that update, what its

format shall be, what it covers in terms of sensitivities and so on.

The clause notes on the bill explain that proposed new section 27B, which is modelled on section 24 of the Commonwealth Charter of Budget Honesty Act 1998, requires that the pre-election update include updated estimated financial statements, economic and other assumptions used to prepare those updated estimated financial statements, and discussion of the sensitivity of the statements to changes in the assumptions. It also specifies that it be prepared in accordance with generally accepted accounting principles. I am pleased to see that brought before the chamber, because, as I said, it represents one of my personal ambitions. I am happy to offer my support for it.

That is the new reporting format. I move now to the second strategy designed to deliver financial responsibility under the Bracks Labor government — namely, to the expanded role and responsibility of the Auditor-General. When I was explaining the new estimated financial statement I made the point that this was the designated or nominated vehicle to deliver the government's commitment to have the budget process overseen by the Auditor-General and to demonstrate that government had met its commitment to provide a budgetary surplus. I emphasise the words 'overseen' and 'met' because they are drawn directly from the document I cited earlier.

The government is saying, 'We are so determined to demonstrate bona fides in respect of financial responsibility that we will have the Auditor-General oversee the budget process and have him sign off to testify that the Bracks Labor government has met its commitment to provide a substantial budgetary surplus. Although I acknowledge that is a bold new initiative — and it is certainly a new role for the Auditor-General — I also contend it is certainly not to be taken as a demonstration that Labor has met anything. Honourable members should understand that we are actually talking about something in advance. How could you possibly expect a commitment that something has been met in advance? It is nonsensical, and it highlights that Labor went out on a limb to establish its bona fides in respect of financial responsibility. It made a promise that no-one could really understand. Labor was irresponsible in making a promise that could not be delivered.

Clause 6 inserts a new part 3A into the Audit Act. It requires the Auditor-General to review and report to Parliament on the estimated financial statements when they are tabled in Parliament. The bill makes it clear that the minister must have the document in reasonable

time before it is due for tabling. In reverse, the Auditor-General is guaranteed access to the documents necessary to make that happen.

Under proposed section 16B, which deals with the review and report to Parliament, the Auditor-General must specifically say whether it appears that the statements have been prepared on a basis consistent with the stated accounting policies, that the statements are consistent with the specified targets for the government's specified key financial measures, that the statements have been properly prepared on the basis of the assumptions contained in the statement prepared in association with the statements under proposed new section 23K of the Financial Management Act and that the methodologies used to determine those assumptions are reasonable.

Does that amount to confirmation that the government has met its commitment to a budgetary surplus? Of course not! I leave aside whether it was appropriate to suggest that the Auditor-General should do that, which I thought was nonsensical.

Proposed section 16B commences by stating that the attestation by the Auditor-General will be based on whether it appears that various statements are in order — in other words a subjective assessment will be made. It is not a test of whether it is done, but whether it appears to have been done. The section then asks whether it appears that the methodology used to determine those assumptions is reasonable — again that is a professionally subjective assessment. The terminology itself states that it is not an attestation that something has been met.

It would be nonsensical to suggest that the Auditor-General would agree to such a challenge. The report is given in advance of the year; it is attached to the budget. Why would anyone with a smattering of knowledge of accounting and reporting expect an Auditor-General to sign off in advance? It is crazy — in fact, dangerous — to even suggest that. The concept Labor was peddling that it would get the Auditor-General to sign off is nonsensical and it is not being delivered. However, from my point of view, and the records show, neither should it have been delivered because it was a nonsense concept in the first place. That was why I was not persuaded when I heard about it. I said in the chamber that it was a nonsensical concept and that I thought the Auditor-General would run a mile.

Hon. T. C. Theophanous — Why didn't he?

Hon. R. M. HALLAM — I will come to that. My concern was that if the Auditor-General was convinced that he should sign off on the budget rather than on the report for the year, he or she would be professionally captured or prejudiced. I do not want him to sign off in advance. I want him to be an absolutely free agent and to look at the performance after the event.

Hon. T. C. Theophanous — He is!

Hon. R. M. HALLAM — I do not want him with some sort of personal stake in the outcome. You are not listening, Mr Theophanous. Perhaps in years to come you will look back and say, 'I think that bloke might have been right'.

Hon. T. C. Theophanous — I doubt it!

Hon. R. M. HALLAM — I bow to your greater experience. It is just that I spent some time as an auditor. I do not want the Auditor-General influenced by any early assessment. I do not even want to run the risk.

Hon. T. C. Theophanous — He is not signing off on the outcomes!

Hon. R. M. HALLAM — Listen, Mr Theophanous, and listen carefully. I am not suggesting that the present Auditor-General would feel captured. I think his professionalism would put him beyond that. However, I do not even want that question mark raised. I want the Auditor-General to be absolutely fearless in his role. To suggest that he should sign something in advance is just incredibly stupid.

Hon. T. C. Theophanous — He is not signing off on the outcomes. Don't you understand that? He is signing off on the estimates.

Hon. R. M. HALLAM — No. Let me tell you what you said — do you want me to quote it to you? You said he would sign off on the budget.

Hon. T. C. Theophanous — On the budget estimates.

Hon. R. M. HALLAM — Now you want to fiddle at the edges. That is exactly my point. You stated you wanted the Auditor-General to sign off.

Hon. T. C. Theophanous — You are either playing dumb or you are dumb!

Hon. R. M. HALLAM — You said that Labor would have the Auditor-General sign that the government had met its commitment to deliver a budgetary surplus, and you wanted that done in

advance. That is what you said. You cannot wriggle out of it. Someone was pretty stupid in writing your policy in advance of the election.

I shall put Mr Theophanous at his ease; the bill does not constitute a sign-off on the budget. My point is it does not deliver what Mr Theophanous claimed in advance. I want him to listen to this very carefully.

The process the Auditor-General will follow under the terms of the bill is not an audit. The bill makes that clear. It is not an audit and it certainly cannot be construed as providing a level of assurance anything like that of an audit. Indeed, I am paraphrasing the effect of the bill, which is why I am inviting you, Mr Theophanous, to listen very carefully. Whatever assurance is given by the involvement of the Auditor-General is more of a negative assurance. In other words, he or she is reporting that nothing has come to the attention of the Auditor-General that would throw doubt on the veracity of the disclosures in the estimated financial statements.

Hon. T. C. Theophanous — Is that a bad thing?

Hon. R. M. HALLAM — That is not what it is saying. It is not a bad thing; it is a good thing. However, it is miles removed from what the Labor Party offered in advance. My point is that it is just as well because Labor got it wrong. I am pleased to see some sanity has prevailed.

Clearly, the Auditor-General is not offering confirmation that the government has met its commitment to maintain a budgetary surplus. He is not even offering an opinion as to whether the government has met its commitment to maintain a budgetary surplus. He is opining that the forecasts, the methodology and the assumptions are reasonable and consistent with the specified target.

That is a far cry from the concept of having the Auditor-General sign off on the budget. I have to put on the record that I am absolutely thankful that it is a far cry from that, because to do so would have prevented the Auditor-General from undertaking his primary role.

I will let it rest at that. The bill does not deliver the commitment given by Labor in advance and it is just as well, because its commitment in advance was absolutely nonsensical and anybody with a touch of professional knowledge in that area would agree with me.

The final strategy in the bill is to deliver financial responsibility. I have gone through the reporting structure and the role of the Auditor-General. The third

facet is the improved concept of releasing reports. There is now a mechanism by which reports will be automatically released and distributed to members of Parliament and made public when the house is not in session.

I acknowledge that it is consistent with the second leg of my tenets of good reporting — that is timeliness. When a report becomes available and the house is not in session, it will be delivered to the Clerks of the Parliament and then distributed to members. It will be assumed that it has been tabled for all intents and purposes, although the physical tabling will be completed only on the next sitting day of Parliament.

Hon. T. C. Theophanous — Do you support it?

Hon. R. M. HALLAM — I support it. It was a recommendation of the Public Accounts and Estimates Committee going back some time. I commend the committee on its recommendation and the Bracks Labor government on adopting it.

It is a good bill and it is warmly welcomed by me and other members of the opposition. The Bracks Labor government has embraced the concept of financial responsibility and accountability and has done so as a demonstration of its bona fides in turning over a new leaf. The bill is a recognition that it had to do so.

Hon. K. M. Smith interjected.

Hon. R. M. HALLAM — I was making the point that this is but the talk, and talk is cheap. We are waiting to see action. It is clear that the Labor government has put up a high bar. The government has not implemented the legislation, let alone made its first attempt at the bar, but under the heading of financial responsibility it is introducing a whole range of new reports, a new role for the Auditor-General and a system of distribution that will make reports more timely. The opposition supports each of those initiatives. It constitutes a new rod in the hands of the Victorian community and the opposition with which to beat the government around the head. The Bracks government is saying, 'Here is the waddy and we invite you to use it'. I inform Mr Theophanous and members of the government that I am happy to give a commitment to the house on behalf of the opposition that the rod will not be spared.

Hon. T. C. THEOPHANOUS (Jika Jika) — It is with a sense of pride that I support the Financial Management (Financial Responsibility) Bill, which is about delivering one of the major planks of the Bracks Labor government — that is, financial management. The bill did not come about because of the Bracks

Labor government coming into power and simply coming up with a good idea and putting it before the Parliament. This bill is the result of the former Labor opposition's struggle — it was like pulling teeth — with the previous Kennett government to bring open financial accountability to the state. Victorians will be able to examine the state's finances and what is being proposed from the taxes and charges raised on their behalf.

Mr Hallam indicated strong support for the legislation in a number of ways. He said the legislation ups the ante and lifts the high bar in relation to the financial management of the state. He also said that it makes Victoria the leader of the pack in financial reporting.

Hon. R. M. Hallam — I said it maintains its role as head of the pack. We are already there.

Hon. T. C. THEOPHANOUS — It increases Victoria's leadership.

Hon. R. M. Hallam — Maintains that we are already the leader of the pack. You know that.

Hon. T. C. THEOPHANOUS — The former Minister for Finance supports the legislation. Forgive the government for being somewhat cynical but I cannot help but ask: after seven years in government why did this legislation never appear under a conservative government? Why did it take a Labor government to introduce an accountability framework that is stronger than anywhere else in Australia and probably stronger than most places around the world? It is a bit much for opposition members to say that on the one hand they support the legislation but on the other they will be watching the government because it will not live up to it.

It is important that this landmark legislation is put in context. The second-reading speech delivers on a number of objectives that Labor made a priority in financial management. It enshrines in legislation the principles of sound financial management to which the government adheres — prudently managing financial risks, debt levels and other liabilities, pursuing tax and spending policies consistent with stability and predictability, maintaining the integrity of the tax system, and for the first time, considering the financial effects of today's decisions on future generations and providing for accurate and timely disclosure of financial information. All those principles are now contained in legislation introduced by a Labor government. The bill is the product of much work by many people in the Labor Party and the labour movement.

It is important to put the Financial Management (Financial Responsibility) Bill in context. It is true that under the previous government state debt was reduced, but it cannot be forgotten how that debt was reduced — nor should history be rewritten by opposition members. That debt was not reduced as a result of the better management practices of the former government; it was reduced by the sale of assets.

The former government criticised state assets, saying, for example, that the former State Electricity Commission was badly run, poorly managed and all the rest. Despite that, those state assets were so good that upon sale they delivered \$25 billion to the government. They were not bad assets!

Honourable members interjecting.

The ACTING PRESIDENT (Hon. R. F. Smith) — Order! The house is becoming unruly.

Hon. T. C. THEOPHANOUS — If members opposite are going to emphasise the fact that they reduced state debt, they should at least have the honesty to say they have also reduced state assets. Victoria no longer has a State Electricity Commission, a Gas and Fuel or any other of the host of public assets that were previously under state ownership. But that is the track the former government wanted to go down. It reduced the level of government debt — —

Hon. R. M. Hallam — Public sector debt! Get the terminology right!

Hon. T. C. THEOPHANOUS — Public sector debt, if you like. Let us not forget that debt has simply been transferred to the private sector owners of the electricity system and will be paid off over the generations by way of electricity bills to Victorian consumers. Somebody will have to pay the debt, even though members opposite do not want to acknowledge that. It happens to be the case that electricity consumers will pay that debt.

Hon. R. M. Hallam — What about efficiency? Haven't you heard about that?

Hon. T. C. THEOPHANOUS — I am happy to talk about efficiency. The previous Labor government increased the efficiency of the SECV by a huge amount — some 40 per cent — before handing it over to the Kennett government, which sold it off. If anyone thinks consumers in Victoria will not have to pay more as a result of that debt being transferred to the private sector, they are sadly mistaken.

I give one example, which I am sure honourable members would be interested in. Real comparisons reveal that the average family in New South Wales consuming an average amount of electricity is paying around \$200 less for electricity than an average family in Victoria. That point has been debated over a considerable period.

Hon. R. M. Hallam — Where did you get that fact from?

Hon. T. C. THEOPHANOUS — I have informed you. Members opposite are now in opposition and are still not listening.

Hon. R. M. Hallam — I will listen when you give me the source.

Hon. T. C. THEOPHANOUS — I gave you the source on a number of occasions. It is the *Electricity Supply Magazine*. I cannot give you the edition number, but I have given it to you before. You must be getting senile because I have given you the reference in the house on a number of occasions. You had better go back and look it up.

Members of the former government want to talk about what great financial managers they were, but a number of things need to be put on the record, including the fact that they were good at selling off state assets. I give them credit for selling off the people's assets!

The second thing the former government did was produce a system with the highest taxes and charges in Australia.

Hon. R. M. Hallam — Where did you get that idea from?

Hon. T. C. THEOPHANOUS — Members opposite do not like to hear the facts, but Labor members happen to remember them.

Honourable members interjecting.

The ACTING PRESIDENT

(Hon. R. F. Smith) — Order! I bring the house to order. I am aware that Mr Theophanous will be somewhat provocative to opposition members, but I am concerned at the amount and volume of interjections. I respectfully request that Mr Theophanous be given the opportunity to put his argument.

Hon. T. C. THEOPHANOUS — That is documented. If Mr Hallam wants that document, I am happy to make it available to him. Under the previous

government Victoria became the highest taxed state in the commonwealth.

Hon. R. M. Hallam — Says who?

Hon. T. C. THEOPHANOUS — I remind members opposite of the things they did when in government. The previous government introduced a home tax.

Hon. B. C. Boardman — What was the home tax? I want you to explain it.

Hon. T. C. THEOPHANOUS — I am sure some members in this place, including Mr Hallam, would remember the home tax. It was an impost on every house in the state over a number of years, placing a burden on all Victorians. The record shows that the former government produced the highest taxing state, sold state assets on a massive scale and produced the lowest standard of service delivery in the country — in health, education and other community services. Members opposite were voted out of government for producing the highest taxes and the lowest standard of service delivery in the land.

Members opposite do not want to admit those things, unlike members on this side of the house, who have analysed and examined what went wrong. The Labor Party has free and open debate, as Mr Acting President is well aware.

Following the defeat of the Labor government in 1992 a first priority of the then opposition was to consider a stronger financial management structure and develop a set of groundbreaking financial management principles. I do not normally quote myself, but I want to do so on this occasion because the issue has been raised in the house a number of times by the opposition.

In February 1994, with the full support of the then Leader of the Opposition in the other place, Mr John Brumby, I circulated — something that does not happen on the other side — a paper entitled 'Economic and financial management of Victoria under Labor'.

Hon. K. M. Smith — But who wrote it?

Hon. T. C. THEOPHANOUS — I just told you that it was written by me, in consultation with the then Leader of the Opposition, John Brumby. At the time I was the opposition spokesperson on financial matters. The paper documented a number of things the Labor Party should do. I refer to it because the principles were not thought of yesterday. They included things such as maintenance of balance or surplus of current account budgets, setting targets for reducing the reliance on debt

for capital works funding by increasing surpluses on the current account, pursuing recommendations from the Fergus Ryan report on establishing risk management practices — —

Hon. R. M. Hallam — All of which we delivered in government. Were you only dreaming about them at the time?

Hon. T. C. THEOPHANOUS — Interestingly such things were not delivered by the previous government. More interesting than that is that the last people who wanted to know anything about the Fergus Ryan report after its release were members of the previous government.

Hon. R. M. Hallam interjected.

Hon. T. C. THEOPHANOUS — I will come to the Fergus Ryan report, because it is important that government members bring some balance to debates such as this in which members such as Mr Hallam attempt to rewrite the history of what took place under the previous government. It is important that the other side of the coin be presented.

A whole range of things were floated in that paper, including that there be a stronger role for the Auditor-General and that Labor should have a commitment to identifying and classifying all potential and actual liabilities of the state, including those created by privatisation — for example, operating leases for private prisons and so on. The previous government resisted doing those things because it wanted to set everything out under commercial in confidence and contracts so nobody would know the long-term liability the state was entering into with private prisons and under other arrangements made with the private sector.

Hon. K. M. Smith interjected.

Hon. T. C. THEOPHANOUS — Mr Smith, who is an economic ignoramus, would not understand these things, but Mr Hallam knew exactly what he was doing.

The ACTING PRESIDENT
(**Hon. R. F. Smith**) — Order! I indicate to the house that Mr Theophanous is referring to Mr Ken Smith.

Hon. K. M. Smith — That cleared that up.

Hon. T. C. THEOPHANOUS — Thank you, Mr Acting President. I would certainly not want to reflect on the Chair. As you have said, I was referring to Mr Ken Smith and not yourself, Sir.

For a long time the Labor Party has been of the view there should be stronger financial management, and it has been pursuing that through vigorous debate in its own structures.

I refer to another document released in June 1994 at a state conference of the Australian Labor Party. Anyone who thinks the Labor Party has not been involved in financial management for a long time should look at that significant document of 52 pages, which outlines a set of principles for financial management. The document from which Mr Hallam quoted in his contribution is an outcome of the presentation of the document headed 'Financial management key principles' to the state conference in 1994. It states, among other things:

In order to establish similar 'whole of government' reporting, Victorian Labor will legislate for a Financial Disclosures Bill which requires the government to:

produce half yearly and yearly consolidated 'whole of government' general purpose financial report (GPFR) embracing all entities which it controls, in which it has a substantial interest, or which expose the state to financial risk. This will be accompanied by separate sub-consolidation of budget and non-budget sector entities.

Even back in 1994 Labor put on the record in detail the need for financial management, indicating that it would bring in a bill to put the principles in place. The issue was being debated in the Labor Party.

Although the previous government was aware the issues were important it did not introduce a bill of the sort now before the house. Labor's commitment to introducing the legislation goes back six years; the commitment of those on the other side has been for 5 minutes — since they read the bill.

Hon. R. M. Hallam — Wrong! Admit that none of this would have been possible without accrual accounting.

Hon. T. C. THEOPHANOUS — Accrual accounting was introduced under the previous government and was supported by Labor.

Among the principles contained in the document was that Victorian Labor is committed to maintaining a substantial surplus on the current account. So it is not a new thing, Mr Hallam.

The document further states:

Victorian Labor will use the current accounts surplus:

to fund the reconstruction of Victoria's social and economic capital infrastructure;

to retire debt ...

It further states:

Victorian Labor will ensure that:

taxes and charges which affect households are equitable and progressive ...

These financial management issues go back to 1994. The document discusses the role of the Auditor-General, and states:

Victorian Labor will ensure that:

the Auditor-General has the ultimate responsibility for the external audit of all public-sector agencies over which the government has control, a financial interest, or to which it has financial exposure ...

legislation will not allow a minister the discretion to appoint an auditor to a public sector entity or to influence the type of audit undertaken ...

...

the Auditor-General will become an officer of Parliament ...

Hon. R. M. Hallam — Which we delivered.

Hon. T. C. THEOPHANOUS — I will come to that.

Hon. R. M. Hallam — Admit it.

Hon. T. C. THEOPHANOUS — Yes, the then coalition government passed the legislation when it nobbled the Auditor-General. The then government's one concession was to make him an officer of the Parliament, but it reduced his staff by 90 per cent. I know what the previous Auditor-General would have said if he had been given a choice of keeping his staff or becoming an officer of Parliament. It should be clear that the Labor Party was rethinking financial management procedures well before they were being considered by the previous coalition government. The document further states:

the Auditor-General will be provided with sufficient resources to fulfil the audit role.

The previous government nobbled the Auditor-General, removed his resources and put him in an office with 10 or 15 staff. It told him he had an overseeing role and that he would sign his name to audits over which he had no control. If Mr Hallam had principles he would have voted against the Labor government's legislation to reinstate the powers of the Auditor-General, because time and again, he argued in this place tooth and nail over many hours and during committee stages that the action the then government was taking was better for Victoria and better for public accountability. Why then

did Mr Hallam not vote against the Labor government legislation to reinstate the powers of the Auditor-General? A person with principles would have done that.

Hon. R. M. Hallam — We lost government.

Hon. T. C. THEOPHANOUS — One of the reasons the Liberal and National parties lost government was that they nobbled the Auditor-General. People understood that, even if the parties did not. It was because some of Mr Hallam's colleagues understood that they made a decision in the party room to support the Labor government's legislation. The legislation reinstating the powers of the Auditor-General is even stronger than the previous legislation. It is important for all the matters to be put on the public record and clearly understood by the people of Victoria.

The Fergus Ryan report was an important landmark report. On this issue, it states:

... there is significant opportunity to enhance the risk identification process within the total public-sector if the Auditor-General in the first instance concentrates more on those agencies that have a responsibility to ensure that the pervasive management and financial controls are in place — that is, the central agencies.

After being given the brief to report to Parliament regarding improving the role of the Auditor-General, Fergus Ryan said that risk assessment was one of the most important things governments did. It is the case that the Auditor-General has an important role not just in looking at what might have gone wrong, but also in assessing the risk in the future. That is what Fergus Ryan reported and what the Public Accounts and Estimates Committee said.

However, instead of taking up the recommendation of strengthening the role of the Auditor-General, giving him greater access to central agencies and having him in some way involved in those important issues, the former government did everything possible to keep him away from the central agencies. The primary mechanism it used to do that was the so-called commercial-in-confidence mechanism. Hardly a document produced by or sent to a minister from a private agency, whether it was about privatisation or other issues, was not stamped as being commercial in confidence. Indeed, some ministers were proud of the fact that nearly all of the documents in the ministry would never become public because they were stamped as being commercial in confidence. No wonder the Auditor-General in one of his appearances before the Public Accounts and Estimates Committee said, 'Will

you do a report into commercial in confidence in this state?’

I have put on the record previously that whatever might have happened to that report in the lead-up to the last state election, at least Mr Forwood had the courage to take up the offer from the Auditor-General and institute an inquiry into commercial in confidence. That report was finally tabled recently, and it sets further benchmarks for reporting on commercial transactions involving the government.

I come now to the role of the Auditor-General. Mr Hallam seems to support the enhanced role of the Auditor-General on the one hand, but to be critical of it on the other hand. Proposed section 16B, which is inserted by clause 6, states that the Auditor-General must review each set of estimated financial statements and report to Parliament as to whether:

the statements have been prepared on a basis consistent with the accounting policies on which they are stated to be based.

The bill further states:

- (b) the statements are consistent with the targets specified in the current financial policy objectives and strategies statement for each key financial measure specified in that statement ...

When the Auditor-General ticks off on the financial statement it is clear to everyone, except Mr Hallam, that he is not ticking off on the outcomes. How could he possibly tick off on the outcomes when they are estimates? You would have to be a fool to try to make the political statement — —

Hon. R. M. Hallam — I am pleased to have that on the record.

Hon. T. C. THEOPHANOUS — Just listen. You would have to be a fool to make the political statement Mr Hallam has made on a number of occasions — that the Auditor-General cannot tick off on these items because they are estimates. Obviously they are estimates; that is what a budget is. A budget is a set of estimates. How could anyone say what the outcome of the estimates will ultimately be?

Hon. R. M. Hallam — So, you got it wrong in advance?

Hon. T. C. THEOPHANOUS — No.

Hon. R. M. Hallam — You said you would sign off on the surplus in advance.

Hon. T. C. THEOPHANOUS — Mr Hallam refuses to acknowledge that ticking off on the estimates

does not mean ticking off on the outcomes — it means ticking off on the estimates! Ticking off on the estimates involves the things that are listed in the bill — that is, that the statements have been prepared on a basis consistent with accounting practices; that the statements are consistent with the targets specified in the current financial policy objectives.

Hon. R. M. Hallam — You got it wrong.

Hon. T. C. THEOPHANOUS — We did not get it wrong at all. You went out and created some nonsense by pretending that we were saying the Auditor-General was going to tick off on the outcomes, when it is obvious to anybody that that cannot occur and could not possibly occur because the outcomes are known a year later. The opposition has put around a furphy. The financial statements have to be ticked off.

As the bill further states, the Auditor-General must report that:

- (c) the statements have been properly prepared on the basis of the assumptions contained in the accompanying statement prepared in association with the statements under section 23K of the Financial Management Act 1994 ...

The list goes on:

- (d) the methodologies used to determine those assumptions are reasonable.

All these factors are ways of ensuring the Auditor-General has the best possible advice to enable him to say, ‘These estimates are reasonable on the advice. Proper accounting practices have been followed that are consistent with the targets specified’. That is a giant leap from the current situation. No-one should attempt to underplay how important that leap is, because it means that if a government wanted to put up an estimate that was not consistent with accounting policies or with the targets specified or had not been prepared in accordance with proper assumptions contained in the accompanying statements or was not based on proper methodologies, the Auditor-General would know before the budget came down. That is a giant leap forward for public accountability in Victoria.

Rather than making stupid comments about what the outcomes might be versus the estimates, it would be helpful if opposition members recognised that the bill is a giant leap that provides them with significant tools to ensure that they can have confidence in the estimates they are reading in a budget. Over the past seven years the Labor Party has had no confidence in the estimates provided. Nor should we have had, because when you looked at the outcomes versus the estimates you saw

that in virtually every budget under the Kennett regime they were out by miles. You could not escape the notion that the estimates were deliberately presented in a way that was not true to accounting practices and standards. We would be told on the one hand that there would be a \$100 million budget surplus, and it would turn out to be \$700 million or \$800 million or more. Sometimes the budget was out by up to \$2 billion. At least now we have a process under which the Auditor-General can have a look at them and make a judgment based on the criteria. That is one of the quantum leaps the legislation takes.

A range of benchmarks have been set in the legislation, and the government does not walk away from them. The bill covers a range of issues, such as the use of the surplus for infrastructure, debt reduction, containing public sector debt or maintaining Victoria's AAA rating. They are all aims of the Bracks government.

I turn to the exit audit mentioned by the previous speaker. It is another innovative initiative the government has delivered on, and every member of this Parliament will benefit from that reform. All honourable members, and importantly the community, will have access to a pre-election budget update. That is important in democratic terms, because at election time the community is able — not 11 or 6 months earlier — to get a report card on the state finances. It is another quantum leap in public accountability introduced by the Bracks government.

I was intrigued by Mr Hallam's comment that the idea of the exit audit was second last on his wish list. I do not know how long his wish list is, but it would be interesting to know whether it has 3 or 30 items on it.

The need to conduct exit audits had little priority because it was second last on Mr Hallam's wish list. The previous government says it supported the conduct of exit audits, but when it had the opportunity to carry them out, it did nothing.

Financial management has been conducted from a complex and difficult base within the Labor Party. The bill represents years of work by many people and its introduction means that people in my party understand the importance of managing the state's economy to deliver better services and outcomes to Victorians. It is commendable that the party of which I am a member is able to have such a debate and deal with difficult issues, as it continues to do every day. That is the ultimate difference between the Labor Party and its conservative opponents.

The government is prepared to examine the tough questions to discover what may or may not have gone wrong. When the Minister for State and Regional Development in the other place and I talked about financial management we did not win friends in the trade union movement — although that is certainly no reflection on the Chair, Mr Acting President. The debate was necessary to produce a then opposition that was good enough to win an election and become the government.

The new opposition now has nothing better to do than talk about Labor's closeness to the union movement, to hark back to past financial measures and so on. As will again be shown in the near future, Labor makes the difficult decisions, regardless of whether the unions are involved. That is its history.

When the amending Workcover legislation comes before the house I will remind honourable members that at the heart of what Labor delivers is the need to balance proper rights and obligations for injured workers — that is, to look after them — against the need for responsible financial management.

The bill allows just that. Its aim is not simply to allow the Labor government to maintain a sound financial policy but also to deliver to ordinary Victorians who expect their government to deliver. They do not think about financial management; they want to know whether their services are being delivered efficiently and effectively. They want to know that the state is being run properly and that they can access services. The Bracks Labor government clearly understands that responsible financial management is an absolute key to the delivery of services. Its aims are now documented and enshrined in what is one of the most important pieces of legislation to have come before this house. It places a set of self-imposed disciplines not only on this government but on all future governments to be accountable to Victorians for the dollars raised on their behalf and for the spending of those dollars. I commend the bill to the house.

Hon. W. I. SMITH (Silvan) — I am pleased to join the debate on the Financial Management (Financial Responsibility) Bill. It is an important piece of legislation and I do not oppose it. The bill sets out the principles of sound financial management for the Victorian government and is based on accounting systems that are generally accepted in the community.

The bill defines disciplines for financial statements, and half-yearly and quarterly reporting. It provides the legislative framework for financial management, and is a great step forward for the Labor government. The

hope is that the Bracks government will differ from its predecessors in the Cain–Kirner governments.

The reality that the Honourable Theo Theophanous failed to acknowledge was that business confidence is crucial to financial investment in Victoria and to economic stability and job growth. The problems of the past under former Labor governments included a lack of economic stability, business confidence and investment in Victoria. Following its time in office in the 1980s the Labor Party left a state public sector debt of \$32 billion and dole figures that had tripled in only two years. It did not deliver on the services it set out to deliver on education, health and transport. It could not balance the economy, which blew out. In 1992 Victoria was the nation's job loss leader. I repeat that the Cain and Kirner governments' legacy was a lack of business confidence, with no economic investment in Victoria.

I refer to what Peter Brain, the executive director of the National Institute of Economic and Industry Research, put in an independent view. In an article in *BRW* of 29 October 1999 he states:

The former Victorian coalition government in many ways set the benchmarks for good governance in an age of accelerating innovation and intensification of competitive pressures on a global scale ...

Significant parts of the coalition's philosophy of governance, policy design and administrative structures came from observing the weaknesses of the Labor administration between 1982 and 1992. A total rejection of Kennett's approach by Steve Bracks's Labor government may well lead to a repeat of past mistakes. At the same time, it is essential that Labor redesigns and spreads the benefits of Kennett's approach, using a more inclusive, transparent and accountable political process.

It is easy to stand here and give example after example and therefore be accused of being a political person making comments, but the article summarises well what happened in the 1980s and 1990s. It further states:

In many respects, the former government can be described as radical, in that it championed, managed and facilitated change ...

Modern radical governments have to lead their constituencies into accepting constant change in the form of lifetime learning, experience and skill acquisition and a high level of mobility in the search for employment. Current best practice in business and institutional management requires adaptability to change, and there is no reason for good government to be any different.

The Honourable Theo Theophanous said the 1980s saw great control and governing of the unions and businesses associated with it. In answer, I further quote from the article:

The downfall of the previous Labor government in Victoria can be traced to the fact that it became conservative after an initial period of modest ... reform. The best example of its failure was its approach to the electricity sector and the Latrobe Valley. In the electricity sector, there was an overwhelming need for large-scale efficiency improvements in the use of capital and labour. There was also an urgent need to remove the cross-subsidisation of households by business ... and the need to develop market-based pricing flexibility to assist business over the economic cycle.

Little was accomplished, because vested interests in Labor Party structures blocked reform to preserve stability in the industry and the Latrobe Valley.

The outcome was that when changes arrived, the Latrobe Valley and employees in the electricity sector were not ready for them. They could not adapt to change. Many people lost their jobs and the industry suffered greatly. The article further states:

The previous Labor government's conservative approach to the reform of work practices in government services was inequitable and economically costly.

...

The failure of the previous Labor government to radically reform government was also very costly, in that it failed to adequately prepare Victoria for the age of globalisation. Instead, it greatly reduced infrastructure spending to pay for operational inefficiencies.

The article continues to define infrastructure spending: it says infrastructure spending must be accelerated by the government. Already, in only six months, the Labor government has ditched major infrastructure investments.

They include investment in the Scoresby freeway, the Knox hospital and the extension of the Melbourne Exhibition Centre at Southbank. The exhibition centre played a major part in the revitalisation of tourism and the business industry in that area. By ditching the extension the government signified strongly how committed it is to business expenditure in the state.

The jury is out on the Bracks government, on business confidence in Victoria, and particularly on how Labor will deal with the unions. That will certainly have a huge impact on business confidence. Many businesses have already pulled out of Victoria. Businesses have stopped investment and projects in this state because of concern about unions. Honourable members recall how the Cain and Kirner governments dealt with the unions in the 1980s and the early 1990s. In 1990 we had the great wall of Melbourne, consisting of trams in Bourke Street that were lined up due to industrial action. An article in *BRW* of 5 November 1999 under the headline 'Bracks must tame the union tiger' states that the Cain and Kirner Labor governments were unable to do that, and pictures of the trams blockading Bourke Street

must have been like a recurring nightmare. The article says that although there were numerous other examples of Labor's incompetence, including Tricontinental, Pyramid and budget deficits, the long and bitter tram strike was crucial because it sent a strong message to the electorate that Labor was out of control, that it was not handling the unions. In fact, the unions were handling it — the industrial wing was in control in Victoria.

The article is relevant to the ongoing industrial relations discussions and the answers that were given during question time today. It states:

The present VTHC secretary, Leigh Hubbard ... says unions now recognise the political constraints on the minority Labor government.

It says Labor holds its power through three Independents, that it does not have an upper house majority, and that:

But Hubbard insists that the unions will want Labor to implement industrial policies that are pro-worker and pro-union. 'For the past seven years, we haven't been at the table. Now we're back. The employers have had it pretty good under the Kennett government. Now it's time to tilt the playing field back a bit our way.

...

Bracks cannot afford to repeat the mistakes of the Cain and Kimmer governments.

The article says Premier Bracks's lesson is to learn from that time, to become committed to being pro-business and to make the economy vibrant and vital to allow for investment inside the state.

Already the cracks are starting to appear in Victoria. In the past six months Yellow Pages published a report on regional small business confidence, saying it has slumped to the lowest level for six years. Importantly, there is an intention to reintroduce common law to Workcover — I understand from the media that that is an issue the Labor government decided yesterday.

On 20 March the Victorian Employers Chamber of Commerce and Industry (VECCI) issued a press release condemning the Labor government for its attitude to business in this state. The opposition wants to ensure that Victorian businesses are kept alive, that business confidence increases and that there are more employment opportunities.

VECCI says its research has revealed that regional and small businesses will suffer a potentially crippling blow if Workcover premiums are raised to fund a return of common law claims under Workcover. It believes farming and rural industries will be particularly hard

hit, as they already pay high premium rates. VECCI suggests small businesses have few avenues to reduce their Workcover premiums, so they will pay higher average premiums. It says the cost pressure from premium rises will dampen business confidence in a year when businesses are already having to adjust to significant other tax and regulatory changes, and that all the economic indicators point to a slowdown. VECCI gives examples of impacts on businesses of at least 20 per cent. It says large employers with few claims may have an increase of only 2 per cent. But there is no doubt that small and medium-size employers will be hit by the increase in Workcover premiums. VECCI raises concern in the industry about the significant cost of reintroducing common law and the impact on the Workcover safety culture. It states:

Under the old Workcare scheme, there was no incentive for employers to adopt best practice and make their workplaces as safe as possible.

The current Workcover scheme changed all that. Workplaces are now safer than at any time in the past ...

VECCI claims that bringing back common law will put Victorian employers at odds with workplaces globally, that it will be a step backwards and lead to poor workplace safety standards. That is certainly not a great indication for Victorian businesses that all is well.

The Financial Management (Financial Responsibility) Bill defines discipline for financial statements and a framework for financial management. The hope is that the Bracks government will get it right, that it will differ from former Labor governments, and that it will provide a stable economic environment, which businesses will need. The opposition will watch with great interest to see where Labor goes. I hope its performance differs very much from that of past Labor administrations.

Hon. G. W. JENNINGS (Melbourne) — I support the government's reforms contained in the Financial Management (Financial Responsibility) Bill, which is an important part of the undertaking the Labor Party made to Victorians during the 1999 state election campaign. As my colleague the Honourable Theo Theophanous reported to the house earlier today, the introduction of the bill satisfies undertakings that were determined and established by the party as far back as 1994. Mr Theophanous clearly pointed out that the principles that underpin the bill were identified and agreed to by the state conference of the Australian Labor Party as far back as 1994.

So the history lesson that opposition members are taking the government through today — as is their right

to do in their contributions to the debate — are important lessons that the people of Victoria hold near and dear to them. In fact, they are near and dear to all members of the Australian Labor Party. I can assure the house that the lessons of history that apply to financial management in Victoria are very pertinent and relevant to my contribution to the debate. The 1990s were a very lonely time. It is not the intention of the Bracks Labor government and those representing it in this house and the other place to relive that history. Labor has given a significant undertaking to the people of Victoria that it has learnt its lesson.

The challenge was issued earlier by Mr Hallam, who said the proof of the pudding is in the delivery, not rhetoric. That is an important point, and it is a challenge that the Bracks government is happy to rise to. Such a view led in part to the publication on 7 January this year of the mid-year report, which is consistent with the series of reporting measures outlined in the bill. The government is a willing participant in improving financial management and accountability in Victoria, so it is happy to be tested on its delivery of those things rather than on rhetoric.

In a debate about the government satisfying those obligations, it is important to place on the public record that this bill plays a supplementary role to the important legislation introduced by the government and passed by Parliament in the last session to restore and reassert the independence of the Auditor-General; restate the Auditor-General's independence in the Victorian constitution; and outline a series of obligations and accountability functions that underpin the important work that the Auditor-General does on behalf of Parliament and the people of Victoria, in consultation and collaboration with the parliamentary Public Accounts and Estimates Committee.

It is important to understand that the bill builds on the very solid foundation laid by the Bracks Labor government last session and delivered within its first eight weeks in office.

The bill is consistent with the Labor government's undertaking to build on the independence of the Auditor-General. It will create a reporting mechanism and regime that will be in place before the delivery of the first Bracks Labor government budget, which is due to be introduced at the beginning of May.

As has already been indicated in the counterclaims to the debate, the bill puts in a legislative framework the basic principles of financial management and responsibility that underpin the intent of the

government to meet the very reasonable accounting standards the Victorian community expects.

Proposed new section 23D of the bill outlines the basic principles designed to ensure that the government adheres to managing financial risk. The section also outlines the elements the government intends to manage prudently on behalf of Victorians. They are: to keep in check the level of government sector debt; to maintain reasonable limits on commercial risk from ownership of corporations; to maintain a stable environment against risks arising from changes to the tax base; and to ensure prudent management of the assets and liabilities of the Victorian public sector.

The basic principles outlined in proposed new section 23D define the obligations of the government to pursue tax and spending policies that are predicated on the maintenance of a stable and secure revenue base in an environment that minimises the tax burden on Victorians.

As is clearly outlined in the section the government intends to maintain the integrity of the tax system. Government members are mindful of the Victorian government's obligation to ensure both the financial viability of the state's current and future finances and the ongoing stability of the tax base for future generations.

The last important principle outlined in proposed new section 23D provides full, accurate and timely disclosure of financial information available in the budget sector to the people of Victoria.

The government made a determined effort when preparing the legislation to satisfy its obligation to the electorate to provide a well-entrenched regime consistent with the reporting regime that applies to financial matters in the state. In line with its first undertaking to provide information halfway through the annual budget cycle, the Bracks Labor government delivered the half-yearly budget update on 7 March this year.

The bill states that the government will be required to produce a series of government statements covering the first six months of each year. It extends the basis of information that is currently available under various reporting regimes that are not obligatory. From 2000–01 and onwards the government is required to detail payments that are incurred from the Treasurer's advance or any moneys that may be paid out through money recovered under any guarantee or any indemnity issued by the government. Although such matters have sometimes been reported in the past it has by no means

been obligatory to do so. The Bracks Labor government is very willing to ensure, through the proposed legislation, that it satisfies the community's reasonable expectation that such matters will be adequately reported.

The bill also provides Parliament with the opportunity to receive key financial reports that have been outlined in the bill at a time when Parliament may not be sitting. It sets out the legal requirements and recommends the technical arrangements for the reports to be circulated to members of Parliament and the requirement on the Clerks to ensure the timely, appropriate delivery to members of Parliament at a time and in a way that ensures that they are treated in all other respects as they would have been had they been tabled in Parliament during the session. That important initiative came at the behest of the 1999 annual report of the Public Accounts and Estimates Committee on the Victorian public sector. The Labor government was more than happy to take up that initiative and incorporate it into the bill.

Proposed new section 23J outlines a series of reporting regimes that will lead to twice-yearly statements of financial policy objectives. They include the provision of sustainable services and infrastructure, prudent management, financial risk and responsible spending and taxing policies. As Mr Theophanous said, they are significant matters. Financial principles and estimates may vary from time to time and the Bracks government recognised the value of regularly updating not only the principles but the estimates on which the government's financial situation will be determined. Therefore, the situation of a significant change in the financial affairs of the state in the course of a budget cycle that has not been reported on during that cycle will not arise. That is a clear underpinning of this piece of legislation and one that in practice will dampen down any variation or unexpected variation in the budget outcomes as may have been feared by the opposition. It will play a positive role in ensuring that the people of Victoria are appropriately and regularly informed of the budget situation and the economic circumstances in Victoria throughout the budget cycle.

The bill requires economic risk assessments and other assumptions on which the budget is based to be published and clearly acknowledged in the preparation and delivery of the state budget. They will include all the underlying assumptions and the variations that may occur during the cycle and will be clearly acknowledged in the delivery of the budget. For the first time the government will happily undertake to provide estimates of taxation expenditures. That is another way of saying the government is prepared to talk about the revenue foregone in terms of exemptions

and concessions available to people. The value of those concessions and exemptions will be identified and clearly tabled in the budget as a tax expenditure incurred within the budget.

There was contention during the debate about the role of the Auditor-General in the preparation and delivery of the state budget. The government is positive about the changes that will be made to the operation of the Auditor-General.

Last week I attended a seminar conducted under the auspices of the Public Accounts and Estimates Committee. The Auditor-General gave a presentation about the key changes and the benefits of the bill introduced by the government in December 1999. He mapped out the positive and constructive role his office will play in auditing the financial affairs of the state.

He outlined the limits of his obligations under the Financial Management Act and the impact the bill will have on what he will be required to do on budget day. He told the seminar that he will be required to report on whether his budget financial statements have been prepared consistent with the accounting principles determined by the government. He will be required to give his view on whether those statements are consistent with the overall targets of the government's key financial measures. He will comment on whether the statements have been properly prepared on the basis of the assumptions that underlie them. He will give his view on the methodology used in determining those assumptions and make the people of Victoria confident that those assumptions are reasonable.

The important contribution of the Auditor-General in this process will not be to presuppose the financial outcome of the prospective budget but to make a clear and accountable statement to the people of Victoria and the Parliament on the viability of the assumptions underpinning the structure of the government's budget. For example, the anticipated underlying growth rate of the Victorian economy has the capacity to make huge variations in state revenues and the consistency of the outcome of the state budget. In practice, the Auditor-General will assess the methodology by which those growth rates have been determined and fed into the formulas underpinning the budget to assess whether the parameters of that particular indicator are reasonable.

Clearly the Auditor-General understands the scope of his responsibility in that task and is enthusiastic about the positive role he will play not only in the immediate prescription of the budget outcomes but also in the ongoing contestability and rigour in the Department of

Treasury and Finance, which makes those assumptions on the part of the people of Victoria and the Parliament in the formation of the budget estimates.

The response from the Department of Treasury and Finance official at the seminar was that the department welcomes the exposure to scrutiny of the Auditor-General in assessing whether the fundamentals of the basic budget structure are valid. The Treasury officer applauded the initiative and said it would lead to a greater degree of confidence to have ongoing scrutiny of departmental methods and the reliability of the advice provided to the government in the construction of the budget. The way the bill dovetails with the independence of the Auditor-General through the passage of the Audit Act will mean that the Auditor-General will enter into that exercise without fear or favour as an independent officer of the Parliament protected by the constitution. The Auditor-General will scrutinise the assumptions implicit in the budget and contest with the Department of Treasury and Finance officials about the validity of those assumptions.

That will give some degree of confidence to the Parliament and the people of Victoria about the way the budget is prepared. That comes on the back of the detailed reporting regime required by the bill which must also give confidence to the Parliament and the community that the Bracks Labor government intends to comply with the rigours of financial responsibility and the reporting mechanisms of Parliament.

That responsibility culminates in the requirement to give a financial statement to the people of Victoria at the time an election is called. Proposed section 27B provides a requirement for the secretary of the Department of Treasury and Finance to prepare a statement about the financial position of the state in accordance with the principles outlined in the Commonwealth Charter of Budget Honesty Act 1998, a similar model. The Bracks Labor government is pleased to introduce that rigour into the bill and to build on the work that was implemented by the federal conservative government in 1998. It is consistent with the principles outlined by Mr Theophanous that were adopted by the Australian Labor Party's Victorian branch in 1994. While the government is happy to use that legislative model, principles and intent clearly identified by the Labor Party some six years ago, it has been consistent Labor Party policy since that time. I am pleased to be part of a Victorian Labor government that has finally introduced legislation to implement that charter of budget honesty with regard to the election cycle.

I direct attention to the undertakings that the Bracks Labor government took to the people of Victoria at the last election.

At that time the Australian Labor Party outlined four major objectives. The first was to ensure it delivered financial responsibility to Victoria. The second was to ensure it grew the whole state of Victoria, not just sections of the state, delivering to all Victorians on an equitable basis.

It was the ALP's intention to restore democracy and a degree of accountability in Victoria. In no small measure, making changes to the Freedom of Information Act and restoring the independence of the Auditor-General and the Director of Public Prosecutions are a sign of the government's intention to deliver on the restoration of democracy to Victorians. It is the intention of the Labor government to ensure improved services to the community in the key areas of health, education and law and order.

The bill goes a long way towards satisfying the ALP's first obligation — to ensure that a financially responsible framework is put in place and that the people of Victoria have a high degree of confidence in the construction of the budget and the management of the state's financial affairs. Confidence is a very important thing. The Honourable Wendy Smith pointed out in her contribution the importance of confidence to small business activity.

Hon. B. C. Boardman — Absolutely imperative.

Hon. G. W. JENNINGS — There is no doubt that the underpinning of the legislation is to ensure confidence in the Victorian economy.

Hon. B. C. Boardman — How does the bill increase the confidence of investors?

Hon. G. W. JENNINGS — The second-reading speech indicates that key rating agencies say Victoria continues to be a good place to invest. They have improved the credit rating of Victoria and play an important role in reminding those who choose to invest in Victoria — —

Hon. B. C. Boardman — That is what the second-reading speech says, not the rating agencies.

Hon. G. W. JENNINGS — The ratings are a measure of the confidence of the agencies in the viability of the state as a public entity and in the nature of the economy that underpins it. In the course of the 1990s the ratings of those agencies and prudent financial management were inextricably linked in the

rhetoric of the outgoing government. In my contribution to the debate I am happy to choose to keep them linked. I encourage opposition members not to unravel that connection between prudent financial management in the Victorian public sector and a growing, vibrant Victorian economy. On that basis I am enthusiastic in my support of the bill and commend it to the house.

**Debate adjourned on motion of
Hon. G. K. RICH-PHILLIPS (Eumemmerring).**

Debate adjourned until later this day.

BUSINESS OF THE HOUSE

Sessional orders

Hon. C. C. BROAD (Minister for Energy and Resources) — 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.

FINANCIAL MANAGEMENT (FINANCIAL RESPONSIBILITY) BILL

Second reading

**Debate resumed from earlier this day; motion of
Hon. C. C. BROAD (Minister for Energy and Resources).**

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — I am pleased to contribute to debate on the Financial Management (Financial Responsibility) Bill. I have listened with interest to contributions from members on both sides of the house. The contribution by Mr Jennings was, as always, insightful of the government's intention, in contrast to the contribution of Mr Theophanous, who gave an interesting revisionist history of Victoria over the past 15 years.

I also note the contributions of Ms Smith and Mr Hallam. When debating a bill of this nature it is interesting to listen to a contribution from a former Minister for Finance who has the insight gained from having run the Department of Treasury and Finance. The financial health of Victoria is a legacy of the work of the Kennett government. I would like to think it is an enduring legacy; time will tell on that front. It is a legacy that can be attributed to the work of the former Treasurer, the Honourable Alan Stockdale, and the former Minister for Finance, the Honourable Roger Hallam.

When the coalition attained government in 1992, the state's finances were in utter disarray thanks to the inept management of a series of treasurers under the former Cain and Kirner governments. It speaks volumes of the vacuum of talent in the current Labor ranks that the Honourable Rob Jolly has been resurrected and given a semi-government role.

The story of how the coalition government turned around the finances of Victoria is well known and not one I intend to retell now. However, it is interesting to note that the new government has at least recognised the achievements of the previous government. I note the glowing reference in the second-reading speech to the fact that Victoria has regained its AAA credit rating. Mr Jennings picked up on that in his contribution. Indeed, it is noteworthy. In the second-reading speech the minister states:

... Victoria has got its fundamentals right — Victoria is a good place to invest.

That is a sound endorsement of the policies of the former Kennett government.

Opposition members have expressed considerable interest in the bill. Leading into the 1999 election the Australian Labor Party proposed a financial disclosure bill as a key plank in its election platform. It is with considerable interest that honourable members look at the Financial Management (Financial Responsibility) Bill as the form that proposal has taken. For the many Victorians who remember back to 1992, the concept of a Labor government and financial responsibility are mutually exclusive.

The bill contains a number of provisions that formalise and in many places extend the existing financial reporting requirements for the Victorian government. I place on record that I welcome those provisions. However, in a number of areas the bill falls short. It does not match the pre-election rhetoric put up by the Labor Party.

Hon. S. M. Nguyen — It does.

Hon. G. K. RICH-PHILLIPS — It does not. I do not oppose the bill. It introduces a number of measures that raise the bar for financial reporting in Victoria. But the bill does not go as far as the government promised. I note that in debate in the other place government members were very enthusiastic about the bill. That is understandable. The honourable member for Footscray in the other place described it as breathtakingly bold. I suggest it is not the bill that is breathtakingly bold — rather the government that introduced it.

The government made a range of promises when it spoke of the bill prior to the election, but unfortunately it has failed to deliver on key aspects. Mr Jennings picked up on those key aspects in his contribution. I would like to explore some of that material as well.

Before the election the Labor Party outlined what it called the six pledges for Victoria. They were headline issues and major commitments of the ALP. The Premier described them as responsible, affordable and long overdue. In putting the pledges together the Labor Party realised it had no financial credibility with the Victorian electorate. So the ALP made its first pledge to provide a budget surplus every year, overseen by an independent Auditor-General with new constitutional powers. That pledge was put up in an attempt to convince the electorate that an ALP would be financially responsible.

The ALP's financial responsibility policy document further expands on that under the subheading 'A budget surplus guarantee', which states:

Victorian Labor will guarantee a substantial operating surplus for every state budget by giving the Auditor-General new powers of scrutiny, including powers to —

Concurrently report to Parliament on state budget day as to whether Labor has met its commitment to maintain an operating surplus; and

Recommend to the Parliament any additional action required to ensure consistency with Labor's core financial principles, including the commitment to a substantial operating surplus.

The government has out and out failed on its pledge. The bill currently before Parliament neither provides the Auditor-General with any powers enshrined in the constitution nor requires him to oversee the budget surplus, and nor should it.

Prior to the election the Labor Party saw the Auditor-General as an active participant in the budget process, including having a role of recommending to Parliament a course of action to ensure that a budget surplus was achieved — quite a role for the Auditor-General to undertake. However, the notion of guaranteeing a budget surplus was absolute nonsense and nothing more than a political stunt by the Labor Party, which I hope at the time the promise was made would have had the good sense to realise it was completely undeliverable. Given the claimed close relationship between it and the Labor Party prior to the election, I can only wonder what Access Economics thought of the promise of having budget surpluses ticked off by the Auditor-General. The pledge made by the Premier was an absolute sham and followed other pledges by the government in its headline promises.

The government's second pledge was to cut class sizes in primary school junior levels to 21 — one from which the Minister for Education has run as far as possible. Another pledge was to guarantee reliable supplies of gas, water and electricity. I think all honourable members would conclude that the government did not get off to a good start on that one, either.

In the second-reading speech the minister clearly stated that the government's key priority is to maintain a substantial budget surplus. With a strong economy that is a noble pursuit. However, the minister and the government have given no indication of what that means. Does a substantial budget surplus mean 1 per cent, 2 per cent or 3 per cent of gross state product, or some other figure? It is easy to set a target without putting parameters around it because no-one will know whether it was met or not. The minister went on to indicate that a surplus could not be maintained without financial responsibility. That fact was well known by the coalition government, and I hope for the sake of all Victorians that it has finally been realised by a Labor government.

One of the extraordinary provisions of the bill attempts to define sound financial management principles. Clause 4 substitutes proposed new part 5 in the Financial Management Act, division 2 of which is devoted entirely to defining the sound principles of financial management.

Mr Theophanous quoted from a document on financial principles he said he had prepared for the Labor Party and listed a number of such principles. Interestingly the government has chosen to not incorporate any of them in the bill. That indicates either the standing Mr Theophanous has in his own party or the quality of the principles he espoused.

The government has identified five principles of sound financial management in the bill. Not surprisingly they are fairly general and bland. In examining the principles I tried to gain an insight into what the government was thinking at the time the bill was being prepared and hoped to see some spark that the government had learned from its horrendous mistakes of the 1980s and early 1990s. Perhaps an indication of the government's thinking is contained in the third principle espoused in the bill, which is to maintain the integrity of the Victorian tax system. That principle is all well and good, but nowhere among the other principles in the bill does the government consider maintaining the integrity of the Victorian economy, or the level of business and consumer confidence in the economy. It would appear that the government is happy to see the

broader Victorian economy fall by the wayside so long as its tax base is protected.

Division 3 of proposed new part 5 requires the Treasurer to prepare two financial policy objectives and strategy statements, one to be tabled with the budget and the other with the budget update in January. It is unclear from the bill whether the government's intention is that the policy objectives and strategy statements relate only to the budget sector or to the entire government sector.

Division 4 of proposed new part 5 requires the Treasurer to prepare estimated financial statements and a budget update. That is a not a new document; treasurer's have been preparing estimated financial statements for tabling with appropriation bills for a considerable time. Together with the preparation of estimated financial statements, division 4 also requires the preparation of an accompanying statement, which in essence outlines the assumptions used in preparing the financial statements. That is to be welcomed. Division 4 further requires the preparation of a budget update, which is to be tabled in Parliament or given to the Clerk of each house on 15 January, to highlight any changes in the estimates that were tabled with the appropriation bills and to provide an update for the four months to the end of October.

The division is weak because it does not require the preparation of a statement to accompany the budget update. That means that changes in the underlying assumptions between the preparation of the estimates and the preparation of the budget update will not be highlighted. Given what the bill is trying to achieve, that is a substantial weakness.

A further criticism of proposed new division 4 is that while it contains a requirement for the estimates and budget update to be prepared in accordance with the generally accepted accounting principles, no requirement exists, or appears to exist, for the statements to be comparable from year to year. Therefore in the event of the generally accepted accounting principles changing or of the government's choosing to prepare statements working to different accounting principles, there is no mechanism by which statements will be able to be compared from year to year.

Proposed new division 5 introduces the annual financial report. Prima facie it would appear to be a direct replacement for the annual financial statement that was the subject of existing part 5 of the Financial Management Act. However, there are some significant differences between the existing and new provisions for

dealing with the financial report by the Auditor-General. Section 26 of the Financial Management Act is devoted to the Auditor-General's report, yet the proposed legislation does not contain a stand-alone section requiring the Auditor-General to prepare a report. Under the existing legislation the Auditor-General has a minimum of 42 days — depending when Parliament sits — in which to receive the annual financial report from the Treasurer and then prepare his audit reports. Under the proposed legislation the period has been reduced to a maximum of 35 days.

The existing legislation requires the Auditor-General to produce an audit report on the annual financial statement, which is to be tabled by the Treasurer at the same time as the statement is tabled. Section 26(2) of the Financial Management Act provides that the Auditor-General may include in the audit report recommendations:

- (a) for the more effective and efficient management of public money; and
- (b) for the keeping of proper accounts and records of the transactions relating to public money.

The legislation contains no such provisions. The Auditor-General is not even required to present a report to Parliament; he is required merely to present an audited version of the Treasurer's annual financial report.

Proposed new division 5 inserted by clause 4 requires the production of a mid-year report for the six months to December each year and the production of quarterly reports for the budget sector. It is noteworthy that all the bill requires the Treasurer to provide is a statement of the accounting policies used in the preparation of the quarterly report, but there is no requirement to do so with the mid-year report. Again, that is similar to the provision in proposed new division 4, which does not require a clear statement of what principles are being employed.

Proposed new division 6 inserted by clause 4 introduces the pre-election budget update. Although this concept is new to Victoria, it has been introduced at the federal level by the Howard coalition government and, I understand, in New Zealand. In his contribution Mr Jennings said the pre-election budget update provision was similar to the commonwealth legislation. I note there are some substantial differences between the commonwealth Charter of Budget Honesty Act and the Victorian model. The key difference is that the commonwealth legislation requires the pre-election update to contain the budget sector updates and general government sector estimates update. The Victorian

legislation requires only an update of budget sector estimates. The effect appears to be that areas of government responsibility outside the budget sector will not be reported in the pre-election budget update. It is not unreasonable to conclude that reports on such entities as the former Victorian Economic Development Corporation would not be picked up under the government's proposal.

Proposed new division 7 relates to the release of the financial reports. I am pleased the government has included a table setting out when each report is required to be tabled in Parliament. However, the release dates are only as good as the government of the day. If the government chooses to ignore those dates they will be of little relevance. I note that the Bracks government has not performed well when it comes to the tabling of reports within statutory time limits. For example, the 1998–99 financial report was late when tabled in the spring session last year.

The Public Accounts and Estimates Committee, in its inquiry into *Annual Reporting in the Victorian Public Sector* chaired by my colleague Mr Lucas, recommended that reports due for tabling on non-sitting days be provided to the Clerks, distributed to members of Parliament and then released publicly. I am pleased that the bill allows reports to be presented to the Clerks for distribution to members of Parliament. As a new member of the Public Accounts and Estimates Committee I hope that the government's enthusiasm for the committee's recommendations continues. In particular I hope the government endorses the recommendations contained in the committee's reports on commercial confidence and outsourcing in the Victorian public sector.

Part 3 of the bill introduces new requirements for the Auditor-General. Under this part, the Auditor-General is required to make reports to Parliament providing an opinion as to whether the estimated financial statements are consistent with the methodology, assumptions and accounting practices that the government has purported to use. The minister's second-reading speech said the Auditor-General will not be making any comment on budget outcomes or the content of estimated financial statements. It would appear that the provisions in proposed part 3A would prohibit him from doing so.

Finally, the new audit requirements for the Auditor-General apply only to the estimated financial statements. The budget update, the mid-year report, the quarterly financial reports and the pre-election budget report do not require an audit report.

In closing, I thank the Treasurer for allowing the Department of Treasury and Finance to brief members of the opposition Treasury committee on the bill. Such background briefings help to promote rigorous and informed debate, and it is a practice that I hope the government will continue.

Hon. S. M. NGUYEN (Melbourne West) — I am delighted to contribute to the debate on the Financial Management (Financial Responsibility) Bill. I am pleased that all contributors to the debate have indicated their support for the bill and have congratulated the government on its introduction. The bill implements one of the pre-election policies of the Labor Party and is an attempt to restore the Victorian community's confidence in the administration of a Labor government.

There is no doubt that some sections of the community lost confidence in the Cain and Kirner governments which resulted in the Labor Party losing government. Considerable discussion and debate occurred at the 1994 state conference about the financial commitments of a future Labor government that would be required to restore the confidence of the Victorian community in a Labor administration. The Premier and the former Leader of the Labor Party, now the Minister for Finance, were involved in those discussions. The Labor Party accepted and agreed with the view that the Victorian community had a right to understand and to be informed of how governments spend the community's money.

The public will then become more vocal about the issue. I remember a big demonstration outside Parliament House when people campaigned for months to restore the powers of the Auditor-General. The former Premier tried to rob the Auditor-General of his powers, and community members were very concerned about the issue. They wanted to ensure the government did the right thing. It does not matter whether it is a Liberal or Labor government, and it does not matter who is Premier, people always want money to be spent in the areas of greatest need. All the checks and balances must ensure an open, accountable government, because everyone has the right to know the facts.

There was much publicity and media attention during that time, and prior to the last state election the Labor Party campaigned on the Auditor-General's performance and his role. The Labor Party made a commitment about the Auditor-General's role, and one of the first things the Bracks government has done since coming to power is produce a bill that will deliver what

was promised to the voters during the election campaign.

The bill is long and technical. The Bracks government has restored many powers of which the public should be aware. The bill establishes the legislative framework for giving effect to the government's commitment to maintain a substantial budget surplus and its further commitment to maintain and enhance Victoria's financial position.

The bill gives an independent Auditor-General a strong new power of scrutiny over the budget process. The Auditor-General must report to Parliament on whether the government has maintained a substantial budget surplus. The government must ensure that there are no black holes in future budgets and that the budget has a surplus. The political persuasion of a government is not relevant. The promises made to voters to win government must be delivered on. The government must not spend money that at some stage in the future will have to be paid back by all Victorians because of a black hole in the budget. The government of the day must put money into the framework but must not spend on anything and everything in an attempt to please everyone. The bill will prevent overspending by a Treasurer or Premier and will ensure the public is aware of and has a right to know where money is spent.

Under the bill the Auditor-General will review the budget and report to Parliament on budget day on whether the financial statement has been prepared consistent with the accounting policies; the statements are consistent with the targets specified in the current financial policy objectives and strategies statement; the statements have been properly prepared on the basis of the assumptions that underlie them; and the methodologies used to determine those assumptions are reasonable.

The bill also refers to sound financial management, which includes managing financial risks, including the levels of debt and other liabilities, in a prudent manner; pursuing tax and spending policies that are consistent with stability and predictability in the level of the tax burden; maintaining the integrity of the tax system; considering the financial effects of today's decisions on future generations; and providing full, accurate and timely disclosure of financial information.

The government must ensure the community is aware of the state debt, the tax system and all government spending. The government must be open and accountable.

I remember during the Kennett years many Victorians, especially people from the western suburbs, were very disappointed about the changes to the role of the Auditor-General. They wanted the Auditor-General to become more independent and for no politics to be involved in that role, with the Auditor-General still being accountable to and reporting to Parliament.

Opposition members referred to the role of the unions and their involvement with the Bracks government. In his second-reading speech the Premier, as Treasurer, clearly stated that the government's agenda is unashamedly pro-growth, pro-business and pro-jobs. The Bracks government is keen to work with all Victorian sectors, including the unions.

Hon. B. C. Boardman — You must do more than talk about it — you must deal with it.

Hon. S. M. NGUYEN — We are working with the unions, employers and pressure groups. The government held the economic summit — —

Hon. B. C. Boardman — More than 50 per cent of the people there had nothing to do with business.

Hon. S. M. NGUYEN — You talk about how to attract investment into Victoria. The government will try to listen to and work with employers to bring confidence to Victoria.

I turn to the issue of the Docklands. When I read the newspapers a few months ago it appeared everybody was nervous about Docklands; few people were interested in investing in the apartments.

Hon. B. C. Boardman — What was the one reason they gave? Industrial relations!

Hon. S. M. NGUYEN — No. All the apartments sold in the first two weeks of April. That shows the confidence of the Victorian community in the Bracks government. I am sure many businesses will continue to grow. They will use their funds to invest because they know the future of Victoria is devoted to more than one sector and that a balance must be struck between the business and other communities.

The reason the unions wanted to go on strike was that industrial issues were neglected during the Kennett years in government. When Labor was elected, everybody wanted to see the government do something about it. That is why union members would like the government to improve the standards.

Hon. B. C. Boardman — What standards need improving?

Hon. S. M. NGUYEN — To improve industrial relations.

Hon. B. C. Boardman — They are getting worse, not improving.

Hon. S. M. NGUYEN — You mentioned the Bracks government being pro-unions, but that is not so. Some people talk about financial responsibility, pro-business and putting confidence into the economy.

Hon. Bill Forwood — Talk to business people and see how they feel about the pro-business Labor government.

Hon. S. M. NGUYEN — The Labor Party did a lot of good work in the Keating and Hawke years. The bill ensures confidence will be injected into the Victorian community.

Hon. B. C. Boardman — Does that mean the Premier has no ideas?

Hon. S. M. NGUYEN — I was talking about the actions of the Keating and Hawke governments to restore confidence in Victoria.

One of the key features of the bill, according to the second-reading speech, is to have the government:

... publish a pre-election budget update once a general election has been called. This means that the true current financial position of the state government must be revealed to the people of Victoria before they cast their votes.

No longer will a government be able to hide behind an excuse that it did not know about the finances of the state at election time. When Victorians come to vote, they will know the facts and vote accordingly. The government will be accountable; it will be unable to hide information.

The bill will lead to open and accountable government; the government will be answerable to Victorians. Honourable members will know complete financial details and will be able to respond to queries from their constituents.

I also refer to the report of the Public Accounts and Estimates Committee (PAEC) entitled *Commercial in Confidence Material and the Public Interest*. The conclusions in chapter 8 include:

The committee believes that the Auditor-General, the Ombudsman and parliamentary committees should have unrestricted rights of access to commercial information.

That committee conclusion about access to information by the Auditor-General and the Ombudsman is

important in the context of this debate. The report also states:

Four principles should apply when agencies are assessing claims for confidentiality:

the right of the people to know;

the accountability of Parliament to the people;

the responsibility of the executive government to the Parliament; and

the rights of individuals or organisations to be treated fairly and to protect their personal and business information from unreasonable disclosure.

The bill will help those interested in investing in Victorian businesses because they will have access to business information. An article in today's *Age* refers to information about the casino tendering process being kept secret by the Kennett government.

Hon. Bill Forwood — That PAEC report was mine, Sang.

Hon. S. M. NGUYEN — Yes, it highlights what you did when in government. But you could do better next time.

The PAEC committee recommends, on page 146 of its report, that the government:

... improve access and reporting by the Auditor-General in relation to commercial and contract information;

strengthen public accountability in relation to material held by government agencies and third parties;

improve access to the details contained in government contracts;

strengthen the Freedom of Information Act; and

improve the culture and attitude within the public sector in relation to the application and classification of material as commercial in confidence.

Any information that assists the Auditor-General will lead to fairer, open and more accountable government. I commend the bill to the house.

Hon. C. A. STRONG (Higinbotham) — It is with pleasure that I speak on the Financial Management (Financial Responsibility) Bill. It is a major piece of legislation and it is obviously a major plank in the Labor Party's financial management plan. I regard it as a significant part of that plank because it offers an element of insurance to the Labor Party.

Clearly Labor's Achilles heel is its financial management because time and again it has brought the Labor Party undone at the federal and state level. We

witnessed that in much of the election rhetoric from Labor, which had sprinkled throughout statements like, ‘The Labor Party will provide a budget surplus every year, overseen by the independent Auditor-General with new constitutional powers’ and ‘The Labor Party will provide responsible financial management that delivers continual budget surpluses every year, overseen by the independent Auditor-General’. Given its track record it is clearly important for the Labor Party to establish its financial credibility.

In view of Labor’s track record and financial legacy — which the former government spent the past seven years putting back on a sound footing — it is cynical of opposition members to imply that the sound financial position the government now enjoys is the result of anything the Labor Party has done, because it is not. It is a result of something it has inherited. The bill is an attempt by the Labor government to try to lock in the gains of the past. I commend the government in every way for this bill because it goes a long way in trying to lock in the good work that has been undertaken by the Kennett government.

As one who has sat through the briefings on the bill and studied it in some detail — I examined it closely, looking for loopholes or ambiguities that would allow the government to slide out of the rigour that the bill appeared to contain — I must say I am pleased that I did not find many escape hatches that would allow a government to welsh on the fine intentions of the bill.

However, as other speakers have mentioned, one area of the bill is at some variance with the Labor Party’s policy line. The minister’s second-reading speech goes straight to that area of ambiguity:

The government’s key priority is to maintain a substantial budget surplus.

The speech mentions the subject again, when it says the government’s commitment to substantial budget surpluses during this term and beyond is an important part of what it believes. Given that the issue of a budget surplus is so critical that it is mentioned basically in the opening comments of the second-reading speech and is a fundamental driver of so much of the government’s policy statements on financial management, it is a pity that it is not included in the detail of the bill.

Nevertheless, the government is to be congratulated. As I see it, the bill is a form of insurance for the Labor Party, which is faced with a poor past record of financial management.

Labor already faces problems with the union movement, which has risen to dominance under previous Labor governments and forced on them a high

degree of financial irresponsibility. This bill is a clear attempt to keep the troops in order, as it were. It is clearly designed to — and I believe it will — keep the government honest on the question of financial capability. The government is certainly to be congratulated for that.

Although it is not perfect, the bill takes this issue a long way forward from where it has been to date. Therefore, although I have some problems with the bill, particularly the omission of any reference in it to a budget surplus, it is a very good measure. I am sure future governments, both Labor and Liberal, will extend and improve the legislation and make it even better.

I turn now to the omission of reference to a budget surplus. The government now has a chance to really show its mettle and establish its credibility. Although the bill spells out in detail the principles of sound financial management it overlooks making reference to a surplus or deficit. I issue a challenge to the government in dealing with the principles of sound financial management outlined in the bill. It is worth outlining the basic structure through which the bill establishes those principles. It starts in proposed new division 2. Proposed new section 23C states the government will operate in accordance with principles of sound financial management. It then goes on to establish the principles in proposed new section 23D. Those principles have been dealt with by other speakers so I will not repeat them, but they are quite appropriate and reasonable. One of the principles not specified there is the need to maintain a surplus. That is clearly an omission.

After the principles are dealt with in proposed new section 23D, proposed new section 23E sets some policy objectives and strategies. In other words, the government is saying, ‘Now that we have established the principles of sound financial management, let us set out some financial policy objectives and strategies’. The government is taking the opportunity to outline how the principles of sound financial management are to be played out in the real budget framework and what they will mean in terms of various financial indicators and so on.

That clearly provides the Labor Treasurer and finance minister the opportunity to lay out the budget surplus in those financial policy objectives. The Labor government’s first policy statement on the budget surplus would be laid out in black and white for all to see so that it can give confidence to the investing community of Victoria. It provides that a key objective and strategy is to have a budget surplus and to maintain

that budget surplus. It also lays out the level of that budget surplus and how it will be maintained.

I repeat — that is an absolute key measure. If that measure does not appear in the government's first financial statement, it will indicate that it had no intention of running a budget surplus or, alternatively, that it is afraid to commit to that situation. The litmus test of all the policy and second-reading speech rhetoric about budget surpluses may be nailed in the heart by the first financial policy objectives and strategic statements. For Victoria's sake I hope the government does lay it out in that statement. The surplus is one of the key omissions for the bill, and although it is not prescribed in the legislation, that simply puts an even greater obligation on the government to do so in its statements.

I will deal now with other areas of the bill and the second-reading speech. I return in particular to the second-reading speech, which mentions the involvement of the Auditor-General when either ticking off or not ticking off the statement. The bill deals with that in some detail and as effectively as I think it can. However, I draw the attention of the house to a statement the minister made in the second-reading speech. She said:

The Auditor-General will be given additional powers to conduct a review of the financial fundamentals of the state budget. The Auditor-General's principal role will be to review the integrity of the economic assumptions and estimated financial statements incorporated in the budget ...

I emphasise the words 'to review the integrity of the economic assumptions'. The bill asks for a budget to be projected over several years. Clearly when compiling a budget one can change the economic assumptions that underlie it to get any result one wants. Therefore, the integrity of those assumptions is enormously important. The second-reading speech implies clearly that the Auditor-General will be responsible for the integrity of those economic assumptions.

In all fairness to the Auditor-General, if nobody else, it is necessary to point out that that is not what the bill states. Proposed new section 23K(2) states that the economic statements the minister brings down will have an accompanying statement. It states:

An accompanying statement comprises —

- (a) a statement of the material economic and other assumptions that have been used in preparing the estimated financial statements ...

As I said, that is a key aspect. By juggling or finetuning those assumptions one can get almost any results one wants in a budget. Anyone who has had any experience

in budgeting would know that. What, then, is the role of the Auditor-General in checking or signing off on those assumptions?

New part 3A, which amends the Audit Act, gives the Auditor-General powers in this critical area. Proposed section 16B, under the heading, 'Review and report to Parliament on estimated financial statements', states:

- (1) The Auditor-General must review each set of estimated financial statements prepared ...

under the act. I am paraphrasing a little for the sake of brevity. He must report to Parliament that the statements have been prepared on a basis consistent with the accounting policies on which they are stated to be based. In other words, he has to report that the accounting basis is uniform and appropriate, well understood and the results have not been massaged by any inconsistencies of accounting treatment. Paragraph (b) states:

the statements are consistent with the target specified in the current financial policy objectives and strategies ...

Once again that is clear cut. The Auditor-General is asked to simply say whether the statements are consistent with the targets. In other words, have they used the same measures and so on? Once again that is something the Auditor-General can very ably do. Paragraph (c) starts to deal with the underlying assumptions. It states:

the statements have been properly prepared on the basis of the assumptions contained in the accompanying statement ...

In other words, the Auditor-General is asked to determine whether the budget has been prepared on the basis of the assumptions. Once again he is able to say, 'Yes, it has been prepared on the basis of those assumptions'. Whether they are right or wrong is a separate issue!

The real catch-all is paragraph (d), and this is the difficult bit. It states:

the methodologies used to determine those assumptions are reasonable.

That is it. The whole budget is based on those assumptions. As I said before, if one fiddles with those assumptions one can get a totally different result. According to the second-reading speech, the Auditor-General will review the integrity of the economic assumptions, the implication clearly being that he will say whether they are reasonable. If the methodologies are reasonable, that is the limit of his test of integrity. Anybody who has been involved in preparing any form of economic assumptions knows

that one can use reasonable assumptions and methodologies but still get something that is way off the mark in a logical sense. It does not in any way say that the assumptions are in line with the various economic forecasters at either federal level or various bank or financial institution levels. It says only that the methodology was reasonable, not that the result of the methodology was reasonable.

That not only detracts from the strong statement in the second-reading speech but it should be put on the record for the protection of the Auditor-General. He may significantly disagree with the assumptions on which the budget and financial statements are made. However, so long as it can be shown that the methodology in preparing them is reasonable he is not able to make any comment.

The bill sets a clear timetable when statements are to be submitted. The time scale at page 20 sets out in great detail what each particular statement does when it is to be released and that such statements can be presented to Parliament when it is not sitting.

The financial management process has a timetable of its own which suits the financial markets and when people expect financial information to be available. It may be the case that the financial time scale does not line up with the parliamentary time scale. The bill makes significant improvement by decoupling those two time scales so that the timing takes place when Parliament is sitting. It is another important feature in getting the information into the public agenda so people can have confidence or otherwise in the state of affairs of Victoria.

The bill also deals with the budget situation in the lead-up to an election. Once the election date is announced it calls for a pre-election budget update to be made of the changes that have happened since the last budget statements. Proposed new section 27B sets out the content of the pre-election budget update, how it will be prepared and when it will be presented. That is a good initiative on which I commend the government, although I believe any politician or person who has been involved in campaigning will always be suspicious about whether last-minute election budget updates reflect the true position. However, proposed new sections 27B and 27C ensure that what is included in the budget update is a true and honest reflection of the situation, given my caveat about the economics that underpin the budget. In that respect it is another important provision.

Traditionally financial management of government has been a cash accounting arrangement that developed

under certain guidelines. Cash accounting in the traditional accounting world has basically long since gone. Cash accounting was developed basically by government for government purposes and as such was readily twisted, turned and massaged to give any result that one cared to put on it. Credit should be given to the previous Labor government when it started down the road of accrual accounting for the government sector. The Kennett government stayed on the road and Victoria now has an accrual accounting system of budgeting and measurement for the state public sector.

The Kennett government ensured that the public sector accrual accounting system used the same accounting standards that are used at large throughout industry and commerce and that the rules under which state budgets and finances are managed are the same as those understood by everybody in the real world. Those rules cannot be manipulated to get the results one wants because the same accounting standards are set for everybody. That process, which proceeded over seven or eight years, has brought the public sector on to an accrual accounting basis. Without that this bill would not have been possible. There would not have been the foundations, rules, standards and understanding of how ledgers and accounts are to be kept to allow people to have confidence. It is the confidence in the uniform accounting standards which now exist in government and which are understood throughout the commercial and private sectors that underpinned the government's ability to put the legislation in place.

I pay tribute to the people who had the foresight to put that system in place throughout government because that is the essential underpinning that makes the bill possible and gives it credibility. There is an understanding that the rules by which the budgets and financial statements are put together are the same rules as followed by everybody else. People will understand those rules. They will not have in the back of their minds a question mark as to whether some special rules have been invented by government for government, giving a result that would not occur in the real economy.

With those few words I indicate that by and large I am pleased with the bill. I would not like the few negative comments I have made to detract from the fact that I think this is an important bill. I reiterate my challenge to the minister to ensure that the issue of the budget surplus, which could be construed as an omission, comes in as a performance measure in the first statement to be brought down. I have great pleasure in speaking on this important bill.

Hon. D. G. HADDEN (Ballarat) — It is my pleasure to speak in support of the Financial Management (Financial Responsibility) Bill and to add my contribution to those of previous government speakers on the bill, Mr Theophanous, Mr Jennings and Mr Nguyen. This trailblazing legislation is a step forward that any government should be proud of. As stated in the bill, its purpose is to amend the Financial Management Act 1994 — the principal — act and the Audit Act 1994. The bill provides for the enhanced disclosure of financial and budget information by the Bracks Labor government and the review of the estimated financial statements by the Auditor-General.

Clause 2 comes into operation on the day after royal assent is given and will ensure the bill's effectiveness soon afterwards, allowing for the amendments contained in the bill to be implemented in the 2000–01 budget preparation process.

Clause 3 inserts proposed new section 4 into the Financial Management Act 1994 and provides that all provisions in the principal act bind the Crown, not only in right of Victoria but also the Crown in all its other capacities, so far as the legislative power of the Parliament permits. Under the former provision only part 7 of the Financial Management Act bound the Crown and that was with respect to accountability and reporting.

Clause 4 replaces part 5 of the Financial Management Act with proposed new part 5 entitled 'Financial responsibility'. That part covers such matters as preparation and transmission to the Auditor-General and the tabling of the annual financial statement only. It also establishes important principles for financial management, disclosure statements and reporting.

I would like to discuss a few provisions of the bill. Proposed new section 25 inserted by clause 4 requires the minister to prepare a mid-year report covering similar information to that in the annual financial report but for the first six months of the financial year. The provision does not require the inclusion of much of the detailed information on appropriations and other matters required in the annual financial report, although that material can be included if the minister so determines.

Proposed new section 26 inserted by clause 4 requires the minister to prepare financial statements for the budget sector for each quarter. It also requires that the March quarter report include cumulative budget sector financial statements for the nine months of the year to date.

Proposed new section 27 inserted by clause 4 requires the Secretary of the Department of Treasury and Finance to prepare a pre-election budget update when the writ for a general election of the Legislative Assembly is issued. Proposed section 27A provides that the purpose of a pre-election budget update is to provide updated information on the estimated financial statements.

Proposed section 27B is based on section 24 of the Commonwealth Charter of Budget Honesty Act 1998. It requires that the pre-election budget update meet a number of financial criteria and that the updated estimated financial statements be based on the current financial policy objectives and strategies and generally accepted accounting principles.

Among other things clause 5 inserts proposed section 62A(3) into the Financial Management Act. That is a transitional provision that ensures the current part 5, which concerns annual financial statements, will continue to apply with respect to the current financial year.

Clause 6 inserts into the Audit Act 1994 a new part 3A entitled 'Review of estimated financial statements'. Proposed section 16B in new part 3A provides for the Auditor-General to review and report to the Parliament on each set of estimated financial statements required to be produced under proposed new section 23H of the Financial Management Act. Proposed section 16B(1) sets out the criteria for reporting to the Parliament. It requires the minister to cause the Auditor-General's report to be tabled with the estimated financial statements.

Proposed section 16B(2) requires that the Auditor-General provide the minister with the report a reasonable time before it is required to be tabled before the Parliament. Proposed section 16B(4) provides that the minister must cooperate with the Auditor-General and provide the Auditor-General with access to necessary documents. Proposed section 16B(5) states that, in undertaking and reporting on the review, the Auditor-General is not entitled to question the merits of the government's policy objectives.

Finally, clause 8 of the bill inserts proposed new section 27 into the Audit Act 1994. It is a transitional provision ensuring that the current section 16A of the act will continue to apply for the current financial year despite the amendments made by clause 7.

The Financial Management (Financial Responsibility) Bill achieves the government's priorities — to restore democracy, to have honesty, integrity, transparency and

accountability in government and to have financial responsibility. I commend the bill to the house.

Sitting suspended 6.28 p.m. until 8.02 p.m.

Hon. B. C. BOARDMAN (Chelsea) — I welcome the opportunity to speak on this interesting bill, which is no doubt welcomed. It creates a principle-based framework for the government's reporting on budgetary processes and establishes the protocols for what the bill describes as an enhanced disclosure of financial and budget information. In theory that sounds wonderful, as though there is a degree of expectation about the bill and that it can even be argued legislation of this type is overdue. But questions remain unanswered. What is the real motivation for introducing the legislation? What is the reasoning behind the development and introduction of the bill that the government is not telling us about?

In the debate both in the other place and so far in this chamber examples and comparisons have been made between this bill and the situations that exist in New Zealand through the New Zealand Fiscal Responsibility Act of 1994 and at the federal level through the Australian parliamentary model introduced by the Howard government. Arguments have been put forward for and against the bill as compared with those other models.

It has also been mentioned that the introduction by the Australian Labor Party of a policy to tighten up reporting mechanisms for budgetary processes acted as an impetus for the introduction of the bill, and that Labor had to introduce the legislation to demonstrate to the Victorian public that it is meeting its policy commitments and electoral responsibilities. All that is understandable, and I appreciate that the arguments the government has put forward on its motivation for introducing the legislation carry a degree of weight. However, I am of the firm opinion — as I am sure other honourable members would agree — that not one person in this house would oppose the introduction of tighter and more open requirements for reporting on the appropriation of public monies. It is obvious that in any instance of appropriation of public monies the recording and accountability processes used to decide how such funds are allocated must be open and made available to every Victorian taxpayer. I reiterate that not one person in the chamber would be opposed to such a philosophy.

However, this is where I get a little curious and hesitant. Bearing in mind the rationale put forward it is difficult to appreciate what I consider to be the irrelevant and philosophically inspired motherhood

statements referred to in the second-reading speech — and there are quite a number of them. The third paragraph contains one of them. It says:

The government's agenda is unashamedly pro-growth, pro-business, and pro-jobs.

That is said not only on the first page but is repeated elsewhere in the speech. That is a decent comment that any government would make, because not a government or political party in the country would say it did not stand for all of those key pillars of governance. Improving the economy, creating employment opportunities and ensuring that economic conditions prosper to the benefit of all constituents within a government's responsibilities are key imperatives of any government or political organisation that is seeking to be elected. However, although Mr Jennings and Mr Nguyen debated quite spiritedly and with a degree of enthusiasm the government's policies for improving economic activity in Victoria, they failed yet again to mention how that could be achieved.

Opposition members have to say to the government continually, 'It is fine to make the comments, it is fine to have the froth and bubble, it is fine to use the rhetoric and keep publicising the motherhood statements, but you have to have some method to your madness. You have to have credibility, facts and policy to back up what you are trying to achieve'.

I refer to the much-publicised ministerial statement delivered by the Premier in the Legislative Assembly on 2 March in relation to the Premier's visit to the World Economic Forum at Davos and what he and the government thought were the outcomes of the visit. The Premier identified three central aims of his attendance at the forum. One was to promote new investment opportunities, and so forth. The third was to seek support for the World Economic Forum to be held in September in Melbourne. It will be the first time the forum has been held outside Europe, and the Kennett government was instrumental in attracting it here.

However, the second aim was as follows:

Second, to discover new opportunities for Victoria through attending the seminars on the world economy, growth strategies, e-commerce and sustainable development.

I could not agree more with the Premier's intention in principle, but where are the results of his attendance at Davos? As a result of the seminars how much more investment has been attracted, how many more jobs have been created and what has the government done to enhance Victoria's competitive advantages?

I have been criticised for jumping the gun somewhat and pre-empting future policy releases the government may or may not have — and I appreciate that after only six months of this government's being in office and particularly only a month or two after the Premier attended the forum at Davos it may be early days — but the signs are disturbing. Early indications are that the government is doing quite the opposite to helping create jobs, assist business and increase growth. Instead of releasing a ministerial statement containing certain parameters and a wish list, the government should have released a key program of direct, responsive and targeted policies to meet the objectives of which the Premier was talking.

The government's legislative program thus far suggests that it is more preoccupied with developing policies based on ideology than assisting the economic climate in which it is operating. What has occurred with the Auditor-General, Workcover and in many other areas are clear examples that the government is more concerned about overturning legislation introduced by the previous government than devising new policies and introducing legislation to deal with the prevailing economic climate.

I refer to the former Kennett government's record, and particularly the policy initiatives of the former Minister for Industry, Science and Technology. Part of the export ready policy of the then government was a communiqué to Victorian exporters about developing their manufacturing industries, identifying targets and responding to opportunities that the government identified as specific growth markets in their fields. The Advantage Melbourne policy identified key competitive strengths and weaknesses of Melbourne. Identifying weaknesses is a vital component in establishing benchmarks for framework improvements. They were benchmarked against economic activity centres in the Asia-Pacific region that the government had identified as potential competitors. The Kennett government's policies were responsive to the environment in which the government was operating rather than being based on ideology or philosophy. The key initiatives of the Kennett government provided an unprecedented growth in employment opportunities and investment, not just in Victoria but throughout Australia. Those levels of investment may never be seen again, particularly in the economic climate that Victoria now faces.

It is disappointing that the Bracks government is quiet when faced with those economic factors, because they affect investment, employment and economic growth in this state. In his ministerial statement the Premier states:

We must be prepared to benchmark our productivity and competitiveness as a state not just against other Australian states but against other regions around the world.

I could not agree more. That is an important comment. The government must go further and realise that making a statement is only one part of the equation — it must act on its words. In talking about a competitive state, how does the Premier explain the situation that occurred with Virgin Airlines, which the Premier, the government, Melbourne Airport and other key sectors of the airport industry courted because it was a tremendous opportunity? As we all know, Virgin Airlines decided to establish its headquarters in Queensland. This will go down as one of the first failures of the government. Victorians were amazed to see the Queensland government advertising in Victorian newspapers about investing in Queensland. Under the administration of the former Kennett government Victoria was the most attractive state in which to invest in Australia. However, the Queensland government, a Labor government, had decided to spoil the party for the Victorian government. How does the government explain the difficulties now faced by Paramount Corporation's \$400 million investment at Docklands which has the potential to create 2000 full-time jobs? How does the government explain the fact that Mirvac is reluctant to invest in the residential apartment industry in Victoria?

Hon. R. F. Smith interjected.

Hon. B. C. BOARDMAN — Mr Bob Smith says that they will be back. Mirvac does not need to come back to Victoria. It should not have gone in the first instance. Those comments are unhelpful to the Victorian economy. The government and its backbench are reactive rather than proactive. Mr Bob Smith will be on the record as a member of the Bracks Labor government directly responsible for losing investment opportunities for Victoria. Unless Victoria's competitive strengths and weaknesses are clearly identified, promoted and articulated in line with the economic activity Victoria now faces the government's policy loses credibility.

In the six months that the Bracks Labor government has been on the Treasury benches, the national and world economies have changed dramatically, but there has been little response from the Bracks government. The second-reading speech contains more instances of the rhetoric of the government. It says the government is reaping the benefits of economic growth. It then says Victoria is a good place in which to invest. That is not true. Investors do not believe Victoria is a good place in which to invest. That will continue to be the case in the current industrial relations climate. What type of

investment does the government want to attract? What customers and markets does it want to attract to Victoria? The national economy is slowing, the Australian dollar has dropped significantly and consumer confidence is falling, but we hear nothing from the Bracks Labor government. The last time the Australian dollar decreased in value the former Kennett government targeted exporters on the new competitiveness that had opened up. It told them that they produced a world-class product which now could be exported at world-class prices. The former Kennett government was pro-investment and pro-jobs. Unfortunately, this government is silent on that issue.

I am disappointed at the government's reaction. The only evidence of economic policy is that the government is not happy with the current structure and philosophy of Business Victoria and has decided to restructure the department. While that is occurring business in Victoria stops.

We should be identifying new markets. Victoria is in a difficult situation because it will be beaten to the punch by other states and other markets. I do not know who is advising the government on its economic policy but it would be interesting to hear what they advocate for the future. According to Professor Jeff Rosensweig, an adviser to the Institute for the Future and the World Bank, in 1990, 21 per cent of Australia's export opportunities were with developing countries, but by 2010, 37 per cent of the export opportunities will be with developing countries. The Kennett government had a strong, proactive relationship with the Asia-Pacific region, particularly countries such as Malaysia, Singapore, Taiwan and Indonesia. Victoria had a distinct economic advantage with those countries. The Asian economies are now re-emerging and it is an ideal time to increase investment in those areas, but again we hear nothing from the government to suggest that those markets are a priority. The government has no long-term focus or strategy that will provide benefits for all Victorians and for future generations.

The bill refers to the role of the Auditor-General in reporting on the budget surplus. Today the web site of the Premier states the government advocates responsible financial management that delivers continued budget surpluses every year overseen by an independent Auditor-General.

As other honourable members have said, one would think this would be the mechanism by which that would occur, in line with the New Zealand legislation, which has a clear imperative that the budget must operate in surplus, which is distinctly absent from this bill.

If one goes through the bill and deciphers the audit provisions one notes there is no mention of the Auditor-General reporting on the budget surplus, yet that was a key election policy of the Labor government. It certainly lacks credibility.

My personal belief on why the bill is before the house today is that the government is trying to overcome the notoriety the Labor Party earned through past governments and is trying to convince the public that it has the economic fundamentals and credibility to govern Victoria. That is substantiated by the quite well-publicised effort in the election campaign of the Labor Party to get Access Economics to audit its election priorities. I commend the government for that initiative, but it does nothing to rebut my argument that there is still a worrying perception that the government is not up to the task when it comes to accounting and budget procedures for the state, so it has had to introduce safeguards by way of the bill to set the parameters and create the protocols within which it can operate.

Proposed section 27 requires the Secretary of the Department of Treasury and Finance to prepare a pre-election budget update when the writ for a general election for the Legislative Assembly is issued. I think that is a fabulous initiative. If it had been around just prior to the 1999 election the public would have realised, because it could have been put on the record in a more formal way, that Victoria's finances were incredibly healthy.

I turn to *Victorian Government Finances 1998-99*, the report of the Auditor-General that was tabled in the house in December 1999. The fourth dot point on page 5 states:

The state's financial condition has further strengthened during the 1998-99 financial year, in that:

the government's capacity to maintain existing programs and operations has improved;

the government's flexibility in responding to future opportunities requiring increased financial resources has also improved; and

the state's vulnerability to funding sources not directly within its control has decreased.

That is great information, and it is the sort of information the Victorian public requires. Now that it is soon to be legislated that at every general election the state of the budget will be released, the government has a challenge to ensure that there is no lowering of that benchmark. The Bracks government faces the challenge of ensuring that its financial practices over its term in government are up to the same standard as those of the

former government, which left the Treasury in such a good condition when it left government.

That can be achieved only through one method, accrual accounting, which my colleague Mr Hallam has dealt with in considerable detail.

I turn to the summary of the Auditor-General's findings:

The introduction of accrual-based appropriation arrangements represents a positive step towards enhancing financial management within the budget sector by ensuring that the resource allocation processes and the accountability arrangements for departments to the Parliament are aligned.

That finding makes it clear that accrual-based accounting methods are the most practical and responsive and bring government reporting mechanisms into line with the methods the private sector has been using for a considerable time. It is a process with which the Labor Party in opposition had a philosophical difficulty but is now embracing — another clear contradiction in the Labor Party's policy.

In conclusion, although I welcome the bill and believe it will improve the level of budgetary reporting in Victoria, I note that recommendations 3.1 to 3.5 in chapter 3 of the Public Accounts and Estimates Committee report on the budget estimates 1999–2000, which make a series of recommendations about budget reviews and reporting — I am sure my colleague Mr Forwood, who was a member of that committee, will go through those recommendations in detail — are virtually mirrored in this legislation.

Nothing could be further from the truth than government members using big words such as 'breathhtaking' and 'unprecedented' and expressions such as 'this is a magnificent piece of work', and Mr Theophanous saying it was something he had a great deal of personal pride in.

The Public Accounts and Estimates Committee had already gone through the budgetary reporting mechanisms in considerable detail and had made the five key recommendations about the reporting of reviews and budget papers that are now mirrored in the legislation. Once again government members have come into the chamber and said they are doing a fantastic job and showing considerable initiative when it is quite clear they are stealing someone else's thunder.

I have enjoyed contributing to the debate on the proposed legislation. I welcome the bill and the opposition does not oppose it. Any steps to improve the

probity of and protocols for reporting on public moneys must be supported and encouraged.

Hon. BILL FORWOOD (Templestowe) — I wish to make a brief contribution on the Financial Management (Financial Responsibility) Bill. As honourable members on this side of the house have said, the opposition does not oppose the bill. It was a touch disappointing to some opposition members that we did not support the bill. We took the option of not opposing it because, as honourable members on this side of the house have pointed out, there are some wrinkles in the bill that do not fulfil the commitments made by the Labor Party in its run-up to the election. The issue of debt, which was so well canvassed by the honourable member for Brighton in another place, the shadow Treasurer, and the issue of entrenching in the bill the requirement for a surplus are two of the reasons for our taking the option of not opposing the bill rather than supporting it.

Like my colleagues Mr Boardman and Mr Hallam, I welcome the legislation and find much in it to support. Therefore, although the opposition does not oppose its passage, many wish it godspeed. I have been amused by the comments of people who have claimed some credit for the bill being before the house today. I note that my colleague and friend Mr Theophanous — —

Hon. B. C. Boardman — Friend?

Hon. BILL FORWOOD — Yes. I am happy to say Mr Theophanous is my friend. He is the longest surviving continuous member of the Public Accounts and Estimates Committee. Mr Hallam was there before and has now returned, but Mr Theophanous was previously the chair of the committee, and he and I have spent some time on the committee since then and well know that legislation such as this does not suddenly appear out of nowhere. The bill has had a long genesis and is part of the continuum of legislation that has been supported by both sides of the house since the late 1980s.

I know that Mr Theophanous, in the days when he was trying to establish that the current government did have some economic credentials that it could talk about, drafted papers that were roundly criticised by his own side.

Hon. T. C. Theophanous interjected.

Hon. BILL FORWOOD — Those papers were criticised by some members of his own side, but they did follow the trend towards more responsible financial management and accounting. A cynic might say that

the legislation is really before the house because the fox is now in charge of the henhouse.

One need only cast one's gaze across the chamber to remember that in the dying days of the Cain and Kirner governments the current Minister for Energy and Resources was working on the numbers — I believe that would be an adequate way of putting it. The Premier and the Deputy Premier were around this building in those days as advisers and, given that they directed the state financially through year after year of extraordinarily poor and imprudent financial management, headed by the bizarre economic philosophy of the then Professor Sheehan — —

Hon. R. F. Smith — Tony Sheehan?

Hon. BILL FORWOOD — No, Peter Sheehan. One could take the cynical and unkind view that the bill is about re-establishing credentials for people who have none.

Hon. T. C. Theophanous — That is unkind and not like you.

Hon. BILL FORWOOD — Okay, I plead guilty to being unkind. It is not like me, but as I said, a number of people are happy to take credit for the legislation. I am happy to place on the record recognition of the considerable work done by officers of the Department of Treasury and Finance over a considerable time. They know who they are and I will not wreck their careers by claiming friendship with them. Victoria has been well served by the quality public servants in the Department of Treasury and Finance and the Department of Premier and Cabinet who have worked on financial issues over the years. I applaud them for it.

I refer to *Reform of the Budget Sector of Victoria: Elements of Financial Management*, one of a series of documents published under the management reform program of 1987. It contains a brief chart depicting milestones in Victorian financial management reform. The bill is just another milestone in Victoria's financial management reform process.

Hon. T. C. Theophanous — An important milestone.

Hon. BILL FORWOOD — I am happy to admit it is an important milestone and I applaud that. I note the second-reading speech foreshadows there will be more in this series. It says that the government will be introducing other legislation to implement further reforms in financial management. Like my colleague the Honourable Roger Hallam, the former Minister for Finance, I applaud the drive towards financial reform

and the acknowledgment that we are not yet where we need to be.

Hon. T. C. Theophanous — Do you think we would have had this bill under your regime?

Hon. BILL FORWOOD — Absolutely.

Hon. T. C. Theophanous — Be honest.

Hon. BILL FORWOOD — Not in every single clause, but the bill is one more step in the process of financial reform that has been continuing for more than a decade; and it will continue. We have been leading Australia in this sort of reform for a long time. We have picked up ideas from the federal government and from New Zealand. It is part of the process.

The government's over-the-top rhetoric in the second-reading speech does a disservice to the reform program, and I will touch on some of those phrases during my brief contribution. I return to where I was before I was engaged in dialogue with Mr Theophanous.

The document to which I referred earlier about budget sector reform contains a chart of financial management reform, of which today's legislation is but one step. It starts in 1992 with the independent review of Victoria's public sector finances, commonly known as the Nichols report. It refers to the 1993 Victorian Commission of Audit. I challenge honourable members to return to that audit and examine those recommendations. I ask them to count how many of the recommendations for financial reforms have been implemented in Victoria, particularly those relating to the move to accrual accounting, whole-of-government reporting and output budget accounting.

The document describes what happened in 1994. Some honourable members will remember the financial management reforms of 1994. We started that year with the publication of the budget and forward estimates for three years and the introduction of budget flexibility measures, including global appropriations. We moved to the attribution of departmental rent and other costs. In the past departments had no responsibility for rent; it came from a central body. Then followed the capital charges and other mechanisms for introducing financial stringency to the way government departments operate so that Victoria will never return to the days of Cain and Kirner, when the then government was spending \$3 billion a year more than it was receiving and Victoria was on a handcart ride to hell.

In that year the then government started the publication of detailed budget estimates in budget paper no. 3 and

passed the Financial Management Act and the Audit Act. The process of significant financial management reforms continued in 1995, 1996 and 1997. All that contributed to today's situation where not only does Victoria have a robust and healthy economy but also transparency and accountability in the way the crucial things in the structure of Victoria's finances are linked. We start with: what outcomes does a government want to achieve? What are the social benefits it wants to achieve? What dividends does it want to have returned? How does it provide the outputs to achieve those outcomes? How does it allocate the funds to achieve the outputs? Where does the business plan fit into the scheme of things?

Now we start with a process to produce a corporate or business plan, work through the budget process, move into the allocation of resources and end up with a reporting regime that enables us to check off as we go along the steps. Mr Theophanous and I are proud to have served in a bipartisan way on the Public Accounts and Estimates Committee over the past three years. As I said when I tabled the PAEC commercial-in-confidence report last week, the committee has produced a body of work that supports absolutely the financial reform program being debated today.

Earlier I was reading some other PAEC reports. Each report on the budget estimates for the past three years touches on the aspects of the bill now being debated, as does the commercial-in-confidence report, which the Honourable Sang Nguyen quoted, and the annual reporting inquiry report on which Mr Theophanous relied. The second-reading speech also refers to that report.

While the Kennett government was making reforms to departmental structures, led by my colleague the then Minister for Finance, the Honourable Roger Hallam, Parliament, through its bipartisan Public Accounts and Estimates Committee, was moving in exactly the same direction.

Hon. T. C. Theophanous — I think we were leading the process, actually.

Hon. BILL FORWOOD — I would not want to overstate it, but, yes, we were leading the reform process — or at least the committee was an important part of it. It is important to note that the bill is not a unilateral piece of legislation brought to the house by the Labor Party, saying, 'We are bringing openness, transparency and accountability to Victoria'. That is not the case. The government did itself a disservice by using some of the language it did in the second-reading speech, which states in part:

This government is not afraid of exposing its financial operations to scrutiny.

Nor should it be.

Hon. T. C. Theophanous — What's wrong with that?

Hon. BILL FORWOOD — It is a wonderful aim.

Hon. T. C. Theophanous — It is not an aim you had.

Hon. BILL FORWOOD — It absolutely is. Mr Theophanous knows better than most honourable members that the move to accrual accounting and whole-of-government accounting in Victoria provided more transparency in the overall structure of the state's finances than has ever been seen. No longer is it possible, as it was under former Labor governments, to pull next year's revenue into this year, to push this year's expenditure into next year, to hide the state of Victoria's economy, to muddy the waters and obfuscate the real situation. The transparency that is here for all time came about because of the action of the former Minister for Finance, the Honourable Roger Hallam, and the support afforded by the Public Accounts and Estimates Committee.

Hon. T. C. Theophanous interjected.

Hon. BILL FORWOOD — Let's talk about commercial in confidence. You have always known my views on that, Mr Theophanous. I am on the record as saying we should start from the position that everything is open and work back from there.

Hon. T. C. Theophanous interjected.

Hon. BILL FORWOOD — Through you, Mr President, as Mr Theophanous would admit if he were able to contribute to the debate again, on occasions some things legally need to be kept hidden.

However, the second-reading speech states that the government is not afraid of putting its financial operations under scrutiny. I asked what the government was paying to keep Olympic Airlines here. The reply was, 'Sorry, commercial in confidence'. I asked how much money has been paid to get the Heineken Golf Classic for Victoria. The reply was, 'Sorry, commercial in confidence'. My colleague the shadow Treasurer, Ms Asher, put in a FOI request for some information about election commitments independently costed by Access Economics. The reply was, 'Sorry, cabinet documents, won't make them available'.

Honourable members interjecting.

Hon. BILL FORWOOD — You need to be a little careful because the hypocrisy will come and bite you on the back of the neck, very soon.

Hon. T. C. Theophanous interjected.

Hon. BILL FORWOOD — You know I don't, Mr Theophanous, and in your sort of nicely shamefaced way you know I'm right.

Hon. T. C. Theophanous — Come on, tell us about the Auditor-General.

Hon. BILL FORWOOD — I am happy to talk about the Auditor-General. The second-reading speech states:

The Auditor-General will be given additional powers to conduct a review of the financial fundamentals of the state budget. The Auditor-General's principal role will be to review the integrity of the economic assumptions and estimated financial statements incorporated in the budget.

Last Wednesday the Auditor-General participated in a breakfast seminar organised by the Public Accounts and Estimates Committee to talk about his role. Mr Grant Hehir from the Department of Treasury and Finance was also there to talk about his department's role. The seminar was for new members of Parliament. It was designed to help new members understand the processes that we follow. Mr Theophanous and I have been around for a long time and have got to know them, but the seminar was useful.

Given that the Auditor-General has this new responsibility under the bill — which the house will pass tonight — I asked him to advise us of the way he intended to look at the budget. I asked him the question in public — so it is not a secret — because the economic assumptions in the structuring of the budget are very important. I asked him whether, for example, he will audit the growth assumptions and the interest rate assumptions. His answer was no, he will not. He will look to see that it has been prepared — those are his words, not mine — in accordance with accounting standards, as he should. Do not get me wrong, I am not criticising this process — I believe it is a good process — but I want to place on the record the fact that the government came in here a bit heavy-handed with its words. It came in and promised the world, but we are just a brick short of a load. We almost got there, but not quite.

The government now faces a challenge. There is a degree of nervousness about Labor's credentials as a financial manager, and rightly so. Some honourable members regret that they did not highlight them a bit

more strongly in September last year, because if they had the situation might be a touch different.

Hon. R. F. Smith interjected.

Hon. BILL FORWOOD — You are the ones who have been gagged. I read the newspapers. Only today I saw a report of a government member saying, 'Not only have we been gagged, but the Premier's assertion that we have not been gagged is wrong'. That is a credibility issue that you guys will have to address.

Hon. T. C. Theophanous — Who said that?

Hon. BILL FORWOOD — It is in today's *Age*.

Hon. T. C. Theophanous interjected.

Hon. BILL FORWOOD — If it's in the *Age* it came from you because it didn't come from us. We don't talk to the *Age*, you know that.

The bill now before the house is part of a process that started more than 10 years ago and was greatly enhanced by the actions of the then Minister for Finance, the Honourable Roger Hallam. That was assisted by the actions of the Public Accounts and Estimates Committee, of which Mr Theophanous and I were proud to be members. We pushed the issue along as hard as we could go. But it is not yet finished, and that is recognised here. We will applaud the completion of the process when it occurs. The rhetoric Mr Theophanous offered in support of the bill is so far over the top that he does us a disservice.

Hon. T. C. Theophanous — You can't cope with the truth.

Hon. BILL FORWOOD — I could cope with the truth any time of the day or night, but it is not the truth to say in the second-reading speech that the reason the AAA rating came back to Victoria was that Labor got into government. No-one believes you!

Hon. T. C. Theophanous — Where does it say that?

Hon. BILL FORWOOD — Have a look at page 2.

Hon. T. C. Theophanous interjected.

Hon. BILL FORWOOD — Read it for yourself.

Hon. T. C. Theophanous — You made the claim.

Hon. BILL FORWOOD — I am happy to defend the claim anywhere, any place, Mr Theophanous.

Hon. T. C. Theophanous interjected.

Hon. BILL FORWOOD — Mr Theophanous knows that the state was returned to financial health by the previous government and Labor is riding on its coat-tails. The bill is about trying to establish just a little bit of credibility for a fairly tarnished pack of politicians.

I applaud this initiative. I am proud to have played a small role in seeing this reform process advance as far as it has done. I look forward to even more advancement, and in particular to more of the recommendations of the Public Accounts and Estimates Committee being picked up. I note that under proposed section 27D the annual financial statements can now be tabled out of session. As Mr Theophanous would know, it is about time that we had that capability for annual reports — which are the end of the reporting cycle that matches the corporate plan, budget allocation, and output-outcome process that I talked about before.

I look forward to the next step in the financial management reform process. In particular, I make the undertaking that my colleagues and I will scrutinise the documents as they come forward and will hold the government to account for the issues as they arise and for the management of this state.

Motion agreed to.

Read second time.

Committed.

Committee

Clauses 1 to 3 agreed to.

Clause 4

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — I direct the minister's attention to the architecture of the bill. Clause 4 substitutes a new part 5 into the Financial Management Act. Proposed new section 23A in the first division of the new part 5 contains a number of definitions. Will the minister explain why the government has chosen to include those definitions under part 5 rather than under the definitions section in the principal act?

Hon. C. C. BROAD (Minister for Energy and Resources) — I am advised that those particular definitions are relevant to part 5 — the matters covered in clause 4 — and do not have relevance to other parts of the act. That is why they are included in clause 4.

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — Can I take it from the minister's answer that no other interpretation would be made on those definitions in other parts of the act?

Hon. C. C. BROAD (Minister for Energy and Resources) — That is correct.

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — I refer the minister to division 2 of the substituted part 5 and specifically to proposed new section 23C entitled 'Government to operate in accordance with principles of sound financial management'. Will the minister explain the language used in that section because it states:

It is the intention of the Parliament that the Government establish and maintain a budgeting and reporting framework that is consistent with the principles of sound financial management ...

Will the minister explain whether that section binds the government to operate in accordance with the stated principles of sound financial management?

Hon. C. C. BROAD (Minister for Energy and Resources) — I am advised that the section sets out the general intention and that the principles are set out in the following proposed new section 23D.

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — I appreciate that it sets out the intentions of Parliament. However, it is unclear as to whether the government will be bound by the principles of sound financial management which, as the minister pointed out, are set out further in the act.

Hon. C. C. BROAD (Minister for Energy and Resources) — I reiterate my previous response that the principles set out in the next section are, as are the principles set out in that section, the principles that the government must apply. There is no discretion there. It is clear that all those principles must be applied.

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — Taking the minister's answer that the government is bound by the principles of sound financial management, I will explore with the minister some of the principles set down in proposed new section 23D to gain an appreciation of the government's intention. Specifically, I draw the attention of the minister to the first principle in paragraph (a), which states:

manage financial risks faced by the state prudently, having regard to economic circumstances ...

Will the minister explain the purpose of the phrase, 'having regard to economic circumstances' in the context of the rest of that principle?

Hon. C. C. BROAD (Minister for Energy and Resources) — As I said, the government must apply all those principles equally. I am advised that in reference to proposed new section (1)(a) 'the financial risks faced by the state prudently, having regard to economic circumstances' is referred to in proposed new section (2)(a) to (d). Those paragraphs set out a series — not comprehensive — of instances of how the financial risks referred to in proposed new section (1)(a) will be interpreted.

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — I appreciate what the minister said about the risks listed in proposed new section (2), and I will come to that in due course. However, will the minister indicate why the government has included the phrase 'having regard to economic circumstances' in the first principle? The key part of that principle is to manage prudently the financial risks faced by the states. I wonder why the government has chosen to include the phrase about having regard to economic circumstances. How does the government see that as necessary? How does that modify the initial part of the principle?

Hon. C. C. BROAD (Minister for Energy and Resources) — I am advised that there is no special explanation for that. The explanation is the obvious one — that the financial risks to be managed prudently will be judged differently, depending on the economic circumstances at any given time and having regard to various economic indicators such as interest rates. I am also advised that the wording is similar if not exactly the same as that contained in the commonwealth Charter of Budget Honesty Act and similar New Zealand legislation.

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — I thank the minister for her answer. I refer to proposed new section 23D(1)(b), which states:

pursue spending and taxing policies that are consistent with a reasonable degree of stability and predictability in the level of the tax burden ...

Does the reference to tax burden refer to an aggregate or individual taxation levels?

Hon. C. C. BROAD (Minister for Energy and Resources) — It can refer to both. I take the opportunity to make an observation. Given that a briefing was provided to the opposition and reference was made to the quality of that briefing and people were specifically thanked, I am surprised that some of

those definitional issues were not covered at that stage. For whatever reason, the opposition chose not to avail itself of that during the briefing, and the committee can take as long as it likes.

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — I take up the minister's point about the briefing. However, I point out that the briefing was provided by officers of the Department of Treasury and Finance and the minister was not in attendance. I wish to have an understanding of what the government thinks of these matters. With regard to proposed new section 23D(1)(b) I ask the minister to explain the parameters around the statement:

... a reasonable degree of stability and predictability in the level of the tax burden.

Hon. C. C. BROAD (Minister for Energy and Resources) — The proposed new section is directed at precluding policies that will lead to radical swings in the levels of taxation both in overall terms and specific taxes.

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — Proposed new section 23D(1)(d) is a broad principle referring to the government's ensuring that it has regard to the financial effects of its policies on future generations. What does the government mean in its reference to future generations and how broad does the government intend that reference to be?

Hon. C. C. BROAD (Minister for Energy and Resources) — It is the intention of the government that it can be broadly interpreted to take into account intergenerational effects of taxation.

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — I refer to proposed new section 23D(1)(e), which states that the government must:

provide full, accurate and timely disclosure of financial information ...

Is it the government's intention that the statement be broader than what is contained in the bill, or that the principle be fulfilled by the reports for which the bill provides?

Hon. C. C. BROAD (Minister for Energy and Resources) — It is intended that it be interpreted as defined in the bill.

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — Proposed new section 23E(2) refers to the preparation of the financial policy objectives and strategies statement. Is it the government's intention that the statement be prepared as a precursor to the actual

budget estimates being prepared or that it must be prepared concurrently with the estimates?

Hon. C. C. BROAD (Minister for Energy and Resources) — It is consistent with the wording in the bill. They are prepared concurrently, not sequentially.

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — Proposed new section 23N(3)(a) refers to the budget update document and states:

A budget update must be based on —

- (a) the current financial policy objectives and strategies statement ...

It is a requirement of the previous proposed new section that the new statement be generated with a budget update. Is it the intention of the government that the budget update be based on the existing policy document, being one that is generated with the estimates, or is the budget update to be based on the policy document that is presumably generated concurrently with the budget update?

Hon. C. C. BROAD (Minister for Energy and Resources) — Regarding the timing issue, I am advised that proposed new section 23A defines ‘current financial policy objectives and strategies statement’ in part as follows:

- (c) in relation to a pre-election budget update, means the financial policy objectives and strategies statement prepared under section 23E in association with the most recent budget or budget update (as the case may be) ...

So flexibility is allowed for in the timing.

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — I thank the minister for her answers. I have no further questions on clause 4.

Clause agreed to; clauses 5 to 8 agreed to.

Reported to house without amendment.

Remaining stages

Passed remaining stages.

ROAD SAFETY (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 main purpose of this bill is to introduce an offence of driving or being in charge of a motor vehicle while impaired by a drug.

The bill also contains provision for qualified persons other than doctors to take blood samples for analysis under the Road Safety Act, Marine Act and Transport Act as well as some general amendments of the Road Safety Act.

This bill is part of a package of legislative and policy initiatives that the Bracks government is taking under its Road Safety 2000 campaign to achieve a significant reduction in the road toll over the next five years.

The provisions of the bill concerning drugs arise from the recommendations of the parliamentary Road Safety Committee as a result of its inquiry into the effects of drugs — other than alcohol — on road safety in Victoria. It is the policy of the present government to expedite the implementation of those recommendations which were made more than three years ago, in 1996.

The Road Safety Committee expressed concern at the increasing incidence of drug-driving and the potential impact on road safety in this state. In its report, the committee indicated that the annual cost of the road toll attributed to road crashes where drugs alone or drugs mixed with alcohol were present was \$143 million or one-eighth of the state’s road toll.

The new offence of driving or being in charge of a motor vehicle while impaired by a drug will be in addition to existing offences such as culpable driving and driving or being in charge of a motor vehicle while under the influence of intoxicating liquor or any drug. These are serious offences but have limited effect in combating the problem of drugs and driving as they are usually prosecuted after a serious accident has taken place. There are people driving motor vehicles who have taken drugs, and whose driving is impaired but who will not necessarily have had an accident. The new offence will enable these people to be dealt with much more effectively.

The bill defines impairment to mean that the driver’s behaviour or appearance is such as to give rise to a reasonable suspicion that he or she is unable to drive properly. Drivers whom the police suspect are impaired will be required to undergo an assessment of drug impairment. If the assessment indicates that the person may be impaired by a drug or drugs, the person will be required to provide a sample of blood and/or urine. The procedure to be followed in assessing drug impairment will be specified in the *Government Gazette*. Performance on the assessment of drug impairment will

be videorecorded unless the prosecution satisfies the court that there were exceptional circumstances for not doing so. If a person is charged with driving while impaired by a drug, a copy of any video record will be provided to the person. The person will also receive a copy of a written report on the assessment of drug impairment.

As in the case of the alcohol provisions, the provisions of the bill do not require a person to remain in police custody or to undergo tests or provide samples more than 3 hours after driving.

The bill contains a defence where the only drug or drugs found are prescription drugs or drugs that are defined in the bill as permissible non-prescription drugs. Permissible non-prescription drugs are drugs which can generally be obtained only from a pharmacy or from a registered medical practitioner. The defendant will be required to establish that he or she did not know and could not reasonably have known that the drug or drugs, when used in accordance with the advice of a doctor, dentist or pharmacist, would impair driving, and that they had in fact been used in accordance with such advice.

Many permissible non-prescription drugs carry warnings about the effect that they may have on a person's ability to drive. These warnings must be heeded. No-one should be dissuaded from the proper use of their medicines as a result of the provisions of this act. A prescription drug or a permissible non-prescription drug, when used in accordance with medical advice and having proper regard for any relevant warnings, should not impair driving or cause a person to fail the impairment test.

A new definition of 'drug' is proposed, modelled on the definition used in Queensland, that refers to a published schedule of common drugs, together with any other substance that expert evidence can establish deprives a person, either permanently or temporarily, of any of their normal mental or physical faculties.

It is necessary to have such a definition because it is possible for a chemist to modify the chemical structure of a drug, so that it is technically a different drug, but leave intact the part of the chemical structure that affects behaviour. The bill enables evidence to show that a drug affects behaviour in a way that results in a person being unable to drive properly. This could include evidence that a part of the chemical structure of the drug is the same as a part of the chemical structure of another drug, and that, because of this similarity, the drugs would have a similar effect on behaviour. Evidence of the effects of a drug on tasks other than

driving would also be relevant to determining whether taking the drug would result in the person being unable to drive properly.

The bill provides for other qualified persons as well as medical practitioners to take a sample of blood and be furnished with a sample of urine. This provides flexibility in the allocation of resources and assists in minimising delays in the attendance of a suitably qualified person. It will also reduce the possibility that drug affected drivers avoid prosecution because the required procedures could not be completed within three hours of driving or being in charge of a motor vehicle. The other qualified persons will be experienced nurses registered in division 1 of the register kept under the Nurses Act 1993 and persons approved for the purpose by the director of the Victorian Institute of Forensic Medicine. It should be noted that these people will also be authorised to take blood samples under the alcohol provisions of the Road Safety Act, Marine Act and Transport Act, but with one exception.

The exception is that persons who are taken to hospital or other place of treatment as a result of an accident and who are required to furnish a sample of blood for analysis under section 56 of the Road Safety Act or corresponding provisions of the Marine Act or Transport Act will not be required to furnish the sample to a person other than a doctor. These provisions will remain unchanged because of concerns expressed by the Australian Nursing Federation and other stakeholder bodies about the possible impact on nursing workloads and other factors in hospital emergency situations.

A person who is guilty of driving while impaired by a drug will be fined up to \$1200 for a first offence, and up to \$2500, or up to three months imprisonment, for a second or subsequent offence. These fines are similar to the fines for drink driving offences. A person convicted or found guilty of the offence of driving while impaired by a drug will be disqualified from driving for a minimum of 12 months for a first offence, and a minimum of 24 months for a second or subsequent offence.

The bill provides offences of refusing to undertake the assessment of drug impairment, and refusing to provide a blood and/or urine sample. The penalties are the same as refusing to cooperate with drink driving laws.

Drivers who are disqualified from driving for an offence of driving while impaired by a drug will be required to apply for a licence restoration order from a court before being relicensed, and will have to complete a drug education program, and be assessed for drug

problems. Drivers charged with driving while impaired by a drug will be subject to immediate licence suspension until the case comes to court. However, the driver may appeal to the Magistrates Court against the suspension. These requirements are similar to those imposed on drink drivers with a high blood alcohol concentration or prior offences.

The bill contains provision for certificates as evidence of the procedures followed in taking blood and urine, the results of the analyses, and the effect of a drug on behaviour. These certificates are to be proof of the matters contained in them in the absence of evidence to the contrary.

Section 85 statement

I wish to make a statement under section 85(5) of the Constitution Act 1975.

Section 94B of the Road Safety Act 1986, as inserted by clause 13 of this bill, states that it is the intention of section 55B(4) to alter or vary section 85 of the Constitution Act 1975.

Section 94A(2) of the Road Safety Act 1986, as inserted by clause 17(6) of this bill, states that it is the intention of sections 55(9E) and 57(8) of that act, as amended by clause 17 of this bill, to alter or vary section 85 of the Constitution Act 1975.

Section 107C of the Marine Act 1988, as inserted by clause 29 of this bill, states that it is the intention of sections 31(9E) and 32(9) of that act as amended by clause 27 of this bill to alter or vary section 85 of the Constitution Act 1975.

Section 255C of the Transport Act 1983, as inserted by clause 34 of this bill, states that it is the intention of sections 96(12) and 98(10) of that act as amended by clause 31 of this bill to alter or vary section 85 of the Constitution Act 1975.

The effect of these provisions is to confer immunity on certain persons for carrying out certain procedures under the Road Safety Act 1986, the Marine Act 1988 and the Transport Act 1983 and thereby prevent the bringing of proceedings against those persons in the Supreme Court in respect of those procedures.

Section 55B of the Road Safety Act 1986, as inserted by clause 9 of this bill, is part of the new procedures for detecting drivers impaired by drugs. It includes provision for medical practitioners and approved health professionals in certain circumstances to take blood samples and/or to be furnished with urine samples. The reason for the variation of the Supreme Court's

jurisdiction is that immunity is necessary to enable persons who properly carry out procedures for the detection of drugs in the body of a driver to do so without fear of litigation by disgruntled persons.

Clause 17 of this bill amends the Road Safety Act 1986 to enable approved health professionals to take blood samples for analysis for the presence of alcohol. This function is currently limited to medical practitioners. Clause 17 also amends sections 55(9E) and 57(8) of the Road Safety Act 1986 to extend to approved health professionals the immunity given to medical practitioners performing this function. The reason for the variation of the Supreme Court's jurisdiction is that immunity is necessary to enable persons who properly carry out procedures for the detection of alcohol in the body of a driver to do so without fear of litigation by disgruntled persons. Like medical practitioners, the specified nurses and other approved persons have the expertise, technical training and knowledge to ensure that the procedures are properly carried out. In so doing, they should receive the same immunities as medical practitioners.

Clause 27 of this bill amends the Marine Act 1988 to enable approved health professionals to take blood samples for analysis for the presence of alcohol. This function is currently limited to medical practitioners. Clause 27 also amends sections 31(9E) and 32(9) of the Marine Act 1988 to extend to approved health professionals the immunity given to medical practitioners performing this function. The reason for the variation of the Supreme Court's jurisdiction is that immunity is necessary to enable persons who properly carry out procedures for the detection of alcohol in the body of a person in charge of a vessel to do so without fear of litigation by disgruntled persons. Like medical practitioners, approved health professionals have the expertise, technical training and knowledge to ensure that the procedures are properly carried out. In so doing, they should receive the same immunities as medical practitioners.

Clause 31 of this bill amends the Transport Act 1983 to enable approved health professionals to take blood samples for analysis for the presence of alcohol. This function is currently limited to medical practitioners. Clause 31 also amends sections 96(12) and 98(10) of the Transport Act 1983 to extend to approved health professionals the immunity given to medical practitioners performing this function. The reason for the variation of the Supreme Court's jurisdiction is that immunity is necessary to enable persons who properly carry out procedures for the detection of alcohol in the body of a person engaged in safety work on a railway or tramway system to do so without fear of litigation by

disgruntled persons. Like medical practitioners, approved health professionals have the expertise, technical training and knowledge to ensure that the procedures are properly carried out. In so doing, they should receive the same immunities as medical practitioners.

The other general amendments of the Road Safety Act to which I referred earlier relate to:

ensuring that the regulation-making powers are sufficient to implement the enforcement measures contained in the national uniform driving hours requirements for buses and trucks;

improvements in the power of councils to determine local parking penalties;

repeal of unproclaimed and redundant provisions concerning tailgating and menacing driving;

giving protective services officers the power to prosecute parking offences against the act;

authorising service at an address given to the corporation by a person that is not that person's business address or place of residence;

use of digital traffic camera systems.

The most significant of these measures relates to local parking penalties. Traditionally councils have had the ability to determine at the local level the penalties for minor infringements in parking areas, such as leaving a vehicle at an expired meter. Amendments to various acts and regulations at the time of the commencement of the Local Government Act 1989 have raised doubts about whether councils still have the powers that they have continued to exercise. The bill removes these doubts and provides that the penalties imposed, none of which exceed \$50, are to be taken to be valid.

Overall these provisions are relatively minor when compared with the provisions relating to drugs and the detection and treatment of drivers who are impaired by their effects. The bill aims to provide an appropriate balance between protecting the rights of the individual and the community expectation that effective measures will be brought to bear on the problem of drivers who continue to drive while impaired by drugs.

I commend the bill to the house.

Debate adjourned on motion of Hon. G. B. ASHMAN (Koonung).

Debate adjourned until next day.

EDUCATION ACTS (AMENDMENT) BILL

Second reading

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I move:

That this bill be now read a second time.

The purpose of this bill is to repeal the self-governing schools program and to provide for transitional arrangements arising out of that repeal.

By way of background, in 1998 the self-governing schools legislation granted selected school councils four new powers: firstly, the ability to employ all the school's staff; secondly, the ability to buy and dispose of property; thirdly, the ability to invest; and fourthly, the ability to enter partnerships, joint ventures or associations.

Councils granted self-governing status were required to enter an educational services agreement, under which more favourable funding arrangements applied compared to other schools. A total of 51 state schools became self-governing, which is a relatively small number compared to all state schools.

In early 1998, when Parliament debated the self-governing schools bill, the Labor Party vigorously opposed the bill. It was opposed for its division of schools into two classes; the extra work it would impose on councils; its lack of any educational benefits to students; its erosion of the teaching service and teacher working conditions; and its being the start of moves to privatise state schools.

It was against this background, that the government was elected on an education policy which stated it would abandon the self-governing schools program and would retain the employment and industrial relations power in the Department of Education, Employment and Training.

The bill now before this house will implement that policy. The bill will achieve the following.

- (I) Firstly, it will repeal most of the legislative provisions dealing with self-governing schools. The provisions that are remaining protect the superannuation and other rights of school staff.
- (II) Secondly, it will enable teachers and principals employed by councils to transfer to the teaching service. It will also enable others employed by councils to transfer to employment by the Secretary of the

Department of Education, Employment and Training.

This transfer will be voluntary, and the relevant staff may either remain employed by the council until the end of their current contract, or seek a transfer.

(III) Thirdly, it will terminate educational services agreements.

These agreements were entered between the Secretary of the Department of Education, Employment and Training and each council of the 51 relevant schools.

The agreements followed a standard precedent and were intended to last for three years. They also contain the funding arrangements between the school and the department.

On 16 December 1999, the Department of Education, Employment and Training and the councils of the 51 self-governing schools resolved that the educational services agreements would cease to apply. This was achieved in the context of an agreement with the schools on a number of transitional matters including the following —

- (a) Transitional arrangements for each school will be fair and reasonable.
- (b) Transitional arrangements will be based on there being no reduction in services to students.
- (c) All agreed legally binding contracts with individuals or service providers will be honoured as will other agreed relevant commitments already entered into by the school.
- (d) All legally binding contracts will be honoured for the duration of the contracts, provided that the contracts are not extended.
- (e) Facilities issues have been resolved on an individual school basis.

(IV) Finally, the bill provides for a number of transitional arrangements. For those employees that elect to remain in school council employment under section 15T of the Education Act 1958, the bill provides that —

- (a) the council will continue to be the employer of that person for the unexpired portion of that person's contract,
- (b) at the expiration of the person's contract, the employee ceases to be employed by the council, and
- (c) the council may not extend under section 15T of the Education Act 1958, the term of an employment contract.

The minister retains the power to make orders in respect of persons who continue to be employed by councils.

In relation to the repeal of section 15V of the Education Act 1958 — which authorised councils to invest in a manner approved by the Treasurer for the purposes of the section — no authority was ever issued by the Treasurer for the purposes of the section, and therefore no transitional issues are involved with the repeal of this section.

Other transitional clauses authorise councils to continue to exercise rights of ownership over property acquired prior to the repeal of section 15W — being the section which authorised councils to acquire property — and also authorise councils to continue to be involved in any partnership, joint venture or association already entered, but not to extend the term of any partnership, joint venture or association.

I commend the bill to the house.

Debate adjourned on motion of Hon. A. R. BRIDESON (Waverley).

Debate adjourned until next day.

JURIES BILL

Committed.

Committee

Clause 1 agreed to.

Clause 2

Hon. M. R. THOMSON (Minister for Small Business) — I shall refer to some issues raised during the debate. Victoria is a wonderful state in which to live, in that the jury system is respected across parties. The legislation before the house strengthens and broadens the jury system to ensure community

coverage, and it is good that the government has accomplished that aim.

I will quickly respond to some of the issues raised in debate. The first relates to clause 76(2), which deals with the onus of proof changing to the employer when an employee has either been sacked or faced prejudice because of serving on a jury. It is important to note what the Scrutiny of Acts and Regulations Committee said on this part of the bill:

The committee notes that the provision in clause 76(2) constitutes a reversal of onus of proof and this may attract comment by the committee as a possible trespass to rights and freedoms.

The committee, however, notes that there are exceptions to this general proposition in cases, for example, where the defendant is in exclusive possession of relevant information which would be difficult or impossible for the prosecution to prove but relatively easy for the defendant to prove. In the context of the particular offence created by the section the committee recognises the relative difficulty or ease with which the reasons for an employee's dismissal may be proved by the prosecution and the employer respectively.

I understand there is no opposition to the clause. Where a person who has served on a jury has been dismissed, an employer can display records that prove the person has been dismissed for reasons other than because he or she has performed jury duty.

Clause agreed to; clauses 3 to 67 agreed to.

Clause 68

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

Clause 68, line 20, omit "(3)" and insert "(2)".

The amendment rectifies a typographical error in the drafting of the bill.

Amendment agreed to; amended clause agreed to; clauses 69 to 99 agreed to.

Schedule 1

Hon. C. A. FURLETTI (Templestowe) — I move:

Schedule 1, page 63, after line 16 insert —

"6. A person who is released on bail."

The amendment reinserts the terminology that was used in the second-reading speech and reinserts item 6 of the schedule to the bill introduced by the former coalition Attorney-General, known as the Wade bill.

During the second-reading debate I strongly foreshadowed the amendment before the house, as did

other opposition speakers. The four government speakers revealed the contempt with which the government treats an amendment of significance. Of the government's four speakers, Mrs Carbin and Mr McQuilten did not refer to the foreshadowed amendment and made no comment on it apart from indicating their personal experiences with juries, which made little contribution to the debate. The Honourable Dianne Hadden, in her 10-line contribution, got the recommendation of the Law Reform Committee wrong when she suggested the committee recommended that persons remanded on bail should not qualify for jury duty. I presume that was an error, and I will give her the benefit of the doubt. The other profound statement by the honourable member was that in Victoria not everyone on bail is convicted — as if the corollary of that is that if everybody were convicted it would be all right, but because only 80 per cent are convicted it is not all right. I fail to see the logic in the argument.

However, the Honourable Jenny Mikakos did get it right, because in reading the whole of her speech — for which she was picked up in the course of debate — the honourable member read recommendation 14 of the Law Reform Committee, which relates to people on bail. The honourable member got it right, but she deceived the house to a certain extent because she did not also refer to the series of recommendations the committee made on jury list vetting. Had she referred to the recommendations of the Law Reform Committee — I use the plural advisedly — as in her closing sentences she urged honourable members to do, she would have known that had the recommendations on jury vetting been adopted along with the government proposal of allowing people on bail to serve on juries, the argument for the government position would have been much stronger.

However, the Honourable Jenny Mikakos deceived the house by not drawing the attention of honourable members to those recommendations and therefore putting up the argument that people on bail should be allowed to serve on juries, as recommended in the report, as the be-all and end-all.

The frivolous comments of the Honourable Jenny Mikakos about a half-baked amendment demonstrate the degree of seriousness with which the government regards a significant element in the legislation. I was surprised also at her attitude about the jury-vetting proposition. Most lawyers would appreciate that it is the role of the Crown or the prosecutor not to pick a jury for prosecution purposes but to make sure justice is not only done but seen to be done. For that reason, the selection of juries is an important part of the legal process.

The failure of government members to address and debate the issue raised by the opposition as a significant amendment — if it were not significant it would not have been moved — demonstrates the ignorance of the Attorney-General in the other place and the failure of the government to consider or take into account the public outrage voiced about the government proposal.

In his contribution the Honourable Peter Katsambanis addressed the issues of civil liberties raised by a couple of government members. It is clear that the issue of a person being innocent until proven guilty is not in contention.

Hon. D. G. Hadden interjected.

Hon. C. A. FURLETTI — You had your go, Ms Hadden. Will you keep quiet!

The CHAIRMAN — Order! Mr Furletti, on the amendment and through the Chair.

Hon. C. A. FURLETTI — Before I was interrupted by the rabble on the other side I was saying that the principle of being innocent until proven guilty is sacrosanct. There is no issue of civil liberties in this debate. The opposition strongly submits that the community and the law recognise the fact that once a person has been charged with an offence, his or her rights must change within the community and at law. That is shown in any number of areas of law. It is clear that a person not charged with an offence is held in one regard but a person who has been convicted of an offence is held in another regard.

I refer to the issue of probity in, for example, the areas of licensing, gaming, real estate agents, travel agents, financial advisers, practitioners, legal practitioners and even brothel operators. Each must be subjected to a probity check. In certain areas of the community a person is considered a fair and reasonable person to do a certain job. But in this instance the government says it is appropriate for a person who has been charged with a serious offence and is on bail to sit in judgment of his fellow citizens. That is a nonsense and is irreconcilable.

The amendment moved by the opposition seeks to address a blatant inconsistency in the bill. On the one hand a person who is on bail — it is possible to argue strongly that bail is simply a process or a condition of custody without detention because a person must apply for bail — is granted bail by an authorised officer on certain conditions and undertakings and is released. On the other hand a person who is unable for a multitude of reasons to procure bail is remanded in custody. The inconsistency is that one of those persons can serve on a

jury and the other cannot. That is the issue the amendment seeks to address.

The amendment seeks to draw to the attention of the government a serious inconsistency in the bill because the provision would undermine public confidence in the jury system. It would challenge the integrity and impartiality of the jury system. I urge the government to reconsider the provision. The opposition will not stop the bill if it is returned to this place, but if the government does not accept the amendment the outcome will be on its head. Accordingly, I urge all honourable members to support the amendment.

Hon. M. R. THOMSON (Minister for Small Business) — In relation to the schedule, I will not go through the issues in relation to a presumption of innocence. That has been well and truly canvassed during the second-reading debate. I refer to the final December 1996 report of the Law Reform Committee inquiry on jury service. Although I agree that requests were made for the vetting of a jury to remain in the legislation, recommendation 65 states:

The vetting of jury lists to detect disqualified persons and persons with non-disqualifying criminal convictions should continue.

I understand that recommendation could be interpreted to mean those who are on bail. However, in paragraph 5.31 the committee states:

Persons with findings of guilt which did not result in a conviction being recorded and persons considered 'unsuitable for jury service, but who have no criminal record' should not be the subject of vetting. Information concerning persons in these categories should not be provided to the Crown.

It is unclear from its wording whether the report refers to those on bail. Although I understand the implication of the report and its intent, it does not refer to people on bail.

The government does not support the amendment. In paragraph 3.59 of the report the Law Reform Committee states:

... the presumption of innocence requires that persons on bail and those charged with offences not be disqualified from jury service.

That is clear. The government believes the presumption of innocence is sacrosanct, and it will not support the amendment.

Committee divided on amendment:

Ayes, 27

Ashman, Mr
Atkinson, Mr

Furletti, Mr
Hall, Mr

Baxter, Mr	Hallam, Mr
Best, Mr	Katsambanis, Mr
Birrell, Mr	Lucas, Mr
Boardman, Mr	Luckins, Mrs
Bowden, Mr	Powell, Mrs
Brideson, Mr	Rich-Phillips, Mr
Coote, Mrs	Ross, Dr (<i>Teller</i>)
Cover, Mr	Smith, Mr K. M.
Craige, Mr	Smith, Ms
Davis, Mr D. McL. (<i>Teller</i>)	Stoney, Mr
Davis, Mr P. R.	Strong, Mr
Forwood, Mr	

Noes, 14

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

Amendment agreed to.

Amended schedule agreed to; schedules 2 to 6 agreed to.

Reported to house with amendments.

Remaining stages

Passed remaining stages.

ADJOURNMENT

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

That the house do now adjourn.

Argyle Square, Carlton

Hon. C. A. FURLETTI (Templestowe) — I ask the Leader of the Government to raise with the Premier a matter concerning Argyle Square, which is in Lygon Street, Carlton. As honourable members would be well aware, the Italian community is the largest non-English-speaking community in Victoria and Australia. I am proud to say that I am one of 250 000 or so Italian migrants who arrived here post war. Honourable members would also be aware that Carlton and Lygon Street in particular have come to be renowned as a de facto Little Italy, although it does not have a formal designation like Chinatown.

In 1996 representatives of a group of the major organisations in the Italian community formed a steering committee with a view to having the Melbourne City Council rename part of Argyle Square, which had formerly been the site of the Carlton Bowling Club, as Piazza Italia. Correspondence and

meetings took place with the then Lord Mayor, Ivan Deveson, but nothing happened.

I was approached about the matter early in the piece and in 1998, on the occasion of the visit of His Excellency Oscar Luigi Scalfaro, the then President of the Italian Republic, it was thought appropriate that the matter be raised. At a state reception given for His Excellency in Queen's Hall, then Premier Kennett announced that with Melbourne City Council the government would work towards renaming part of Argyle Square Piazza Italia in recognition of the contribution of the Italian community to this state.

Hon. I. J. Cover — What's happened with that?

Hon. C. A. FURLETTI — That is a good question. Since 1998 I have been pressed by the Italian community to discover what has happened to Piazza Italia because the name change has not taken place. I have arranged meetings for the steering committee with the Melbourne City Council, but things seem to be getting nowhere.

It seemed appropriate for me to ask the minister to raise the matter with the Premier and ask him to use his influence to intervene with the Melbourne City Council. If the council remains inactive, it could be opportune for the government to take up the cudgels and perhaps do something for Italian National Day on 4 June.

Ballarat: opposition visit

Hon. D. G. HADDEN (Ballarat) — I refer the Minister for Small Business to an article in the Ballarat *Courier* of 8 April headed 'Optimism in Ballarat'. The article reports the visit to Ballarat last Friday of what it called 'the parliamentary policy committee', comprising Mr Forwood, Mr Lucas and Ms Wendy Smith.

My concern is that the article presents the committee as being a parliamentary committee when in fact there is no parliamentary committee entitled 'the small business and consumer affairs committee' as suggested in the article. The people of Ballarat may think it is a parliamentary committee capable of making recommendations and reporting to Parliament and the government when it is simply a Liberal Party caucus committee.

Honourable members interjecting.

Hon. D. G. HADDEN — I regard the quote attributed to the Honourable Bill Forwood as an

endorsement of the current government's actions. It states:

We are not here to criticise the government.

Given the potential for the Ballarat community to misinterpret the article, will the minister inform the Ballarat *Courier* — —

Hon. M. A. Birrell — On a point of order, Mr President, I cannot explain why a local member would try to put down the intelligence of her community the way the honourable member has just done. However, I believe the adjournment debate is for matters relating to government administration.

Hon. T. C. Theophanous interjected.

Hon. M. A. Birrell — Because she would have sat down and my opportunity to raise a point of order would have passed even though the error would have been made by the honourable member.

It is therefore appropriate for me to point out now that she has made no point about government administration. Her whole statement was about a visit of certain members of Parliament. It had nothing to do with government administration. I would like you, Sir, to point out to the honourable member that if she wants to raise a matter at this time she has to raise a matter that has something to do with the minister's conduct as Minister for Small Business. It should not be some flight of fancy about members of Parliament that has nothing to do with the conduct of the minister or, indeed, of the government.

Hon. T. C. Theophanous — On the point of order, Mr President, I understand the issue is about a group of parliamentarians who represented themselves as a parliamentary committee on small business. It is obviously within the ambit of the Minister for Small Business to be concerned about whether such a parliamentary committee would normally be reporting to Parliament and through her to the government. It is entirely appropriate to raise it as a matter that bears on the area of responsibility of the Minister for Small Business. If members of the opposition were misrepresenting themselves to the Ballarat community as being members of a parliamentary committee, it would be appropriate for the Minister for Small Business to be concerned about that and to take some action to correct the record. I urge you, Mr President, to allow the honourable member to ask her question, which I think will be in accordance with the responsibilities of the minister.

Hon. Bill Forwood — Further on the point of order, Mr President, I direct the attention of the house to paragraph (a) of the guidelines on the content of speeches on the adjournment debate which states that a member must:

raise only matters that are within the administrative competence of the Victorian government.

It is apparent that the member's question does not fall into that category.

The PRESIDENT — Order! I uphold the point of order. No matter of state government administration has been raised so far. I therefore call on the next speaker.

Rail: Morwell crossing

Hon. P. R. HALL (Gippsland) — I raise a matter with the Minister for Energy and Resources in her capacity as the representative of the Minister for Transport in another place. It concerns the provision of an at-grade rail pedestrian crossing in Morwell, which has been long awaited by the good people of that town. That infrastructure will facilitate safer access between the north and south sides of the central business district.

Debate about the project has been going on for some years and the matter was close to resolution at the time of the last state election when the previous government made some commitments to fund it. However, during the past six months since the new government gained office nothing has been heard about it. Will the Minister for Transport explain the progress the government has made towards providing an at-grade pedestrian crossing in Morwell?

Crime: elderly victims

Hon. KAYE DARVENIZA (Melbourne West) — I direct a disturbing and serious matter to the attention of the Minister for Sport and Recreation, who represents the Minister for Police and Emergency Services in another place. I was appalled last week to read a report on page 3 of the *Herald Sun* of 3 April of the brutal bashing in Yarraville of an 86-year-old pensioner. He is also deaf, a widower and suffering from Parkinson's disease.

According to the report the attacker called on the elderly gentleman when he was in his yard to offer him lawn-mowing services. In good faith he took the person into his home where he was turned upon, attacked and robbed. The elderly gentleman was tied up with his braces and left for dead. It is fortunate that his daughter came to his home and found him some 16 hours later. What is the Minister for Police and Emergency

Services doing to ensure that the elderly can go about their daily business and feel safe?

South Gippsland Tourist Railway

Hon. K. M. SMITH (South Eastern) — I refer my question to the Minister for Energy and Resources, who represents the Minister for Transport in another place. Last Friday I had the pleasure of attending the presentation of a \$60 000 grant to the South Gippsland tourist railway at Korumburra. I am pleased to be the patron of that enterprise and I am pleased that the Minister for Transport made the effort to come down to Korumburra to announce the grant. It is available for the upgrade of bridges and tracks along the Nyora–Leongatha line, which is very important to keep the tourist railway working.

I am perplexed about where the \$60 000 is to come from. Is it the \$60 000 that had been given by former Minister Cooper during 1999 for exactly the same works? The difficulty is that an election took place in the meantime. Is the \$60 000 given by the current Minister for Transport after considering an application made by the honourable member for Gippsland West in the other place? The \$60 000 was not received from the previous government, and the honourable member for Gippsland West did nothing about getting the payment. Will the \$60 000 be part of the \$120 000 we believe is deserved? Two ministers, each in the same portfolio, have said they have given \$60 000. When will we receive the \$120 000?

Employment: western suburbs

Hon. S. M. NGUYEN (Melbourne West) — I raise a matter for the attention of the Minister for Sport and Recreation in his capacity as the representative of the Minister for Post Compulsory Education, Training and Employment in another place. It concerns the government's initiatives to assist those who are unemployed and need help the most.

As honourable members are aware — I include those on the opposition benches — Melbourne west has been neglected for many years. The announcement by the minister's office of an additional \$8.8 million to aid those from disadvantaged backgrounds is an endorsement of the government's commitment to building a fair and equitable Victoria. Melbourne's western region has one of Australia's worst unemployment and school retention rates. Will the minister advise the house of the assistance those in Melbourne's west will be getting from the program?

Taxis: e-tags

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — I raise for the attention of the Minister for Energy and Resources, who represents the Minister for Transport in another place, a matter relating to taxis. I have been approached by a constituent regarding his recent experience in catching a taxi in the city. In the course of his employment my constituent had cause to travel from the Sofitel Hotel to Melbourne Airport. When he got into the taxi at the Collins Street taxi rank and asked to go to Melbourne Airport the driver indicated an unwillingness to take him. He did not refuse the fare but indicated that he would rather not carry my constituent.

The taxidriver said he did not want to go to Melbourne Airport because his cab was not equipped with an e-tag. Whether a taxi operator chooses to fit an e-tag or use a day pass to travel on City Link or by other means is a matter entirely for the taxi operator. My constituent is concerned that by getting a taxi in the city he should not be discouraged from taking a trip on the western link.

Hon. E. C. Carbines — Maybe the taxidriver did not want to pay the toll?

Hon. G. K. RICH-PHILLIPS — The toll will be paid by the passenger travelling in the taxi, as would the fare. The previous government devoted considerable energy to reforming the taxi industry; it was a matter of personal interest to former Premier Kennett. A number of reforms took place in the taxi industry to improve the usability of taxi services, in particular for international visitors. My constituent is concerned that if taxidrivers at the city ranks will not take fares to Melbourne Airport international visitors will be left with a negative impression of the service. I ask the Minister for Transport to ensure that Victorian taxi operators do not refuse fares on the basis that they do not have e-tags.

Companion card

Hon. B. W. BISHOP (North Western) — I direct to the attention of the Minister for Sport and Recreation a matter raised with my electorate office by Mrs Joy Clarke from the Sunraysia, who does an enormous amount of work in the area for people with disabilities. It concerns an organisation called the Victorian Network on Recreation and Disability (Vicnord). I am certain the minister is familiar with the organisation. The issue relates to persons with disabilities attending recreational or sporting activities with carers. There appears to be no firm policy for concessions for carers. Some venues offer

concessions — that is, free entry or part cost — and some do not. There is no consistent policy.

Vicnord has set up a working group to examine the problem. It has developed a scheme called the companion card, which aims to lobby for industry support for affordable and fair entry prices for people with disabilities who require companions, to support and encourage voluntary relationships and friendships for people with disabilities, to provide a predictable and consistent approach to ticketing charges across the sports and entertainment industry and to develop an easy identification system for those who genuinely need special consideration.

The scheme will operate in the following manner. People with disabilities who need cards will apply to the companion card scheme and will be sent application forms. The application forms will have to be completed by general practitioners, who will be required to assess people's needs for assistants or companions to attend to their support needs when attending sport, arts or entertainment events.

Individuals, not agencies, will be supplied with companion cards. The cards will have personal identification and entitle people to free entry for one companion. People will be expected to pay for one ticket at their normal entitlement rate.

The companion card scheme will be marketed to providers within both the sports and recreation and the arts and entertainment sectors for their endorsement and implementation. Funding, government support and endorsement will be sought for the recurrent administration of the companion card scheme. Will the minister advise the house of the progress to date on the companion card scheme?

Regional Infrastructure Development Fund

Hon. N. B. LUCAS (Eumemmerring) — I raise a matter for the attention of the Minister for Energy and Resources, representing the would-be Premier, the Minister for State and Regional Development. On 7 April I received a letter from the Honourable John Brumby, MP, which among other things said:

In the second-reading speech on the Regional Infrastructure Development Fund Bill, I promised to distribute to all members of Parliament the detailed guidelines for submissions for funding so that members could encourage communities in their electorates to apply for funding.

Attached to that letter was a document headed 'Guidelines — Regional Infrastructure Development Fund'. That document described who can apply as follows:

Applications will be considered from rural councils.

I looked in the document to see whether any councils in my electorate were classified as rural councils. I looked right down the list but found that no councils in my electorate can apply for allocations from that fund.

Honourable members interjecting.

Hon. N. B. LUCAS — I have raised this issue before. I am consistent. I raised this issue on 8 December in this place. I pointed out that the shires of Cardinia and Yarra Ranges were not included in the schedule. It seems to me therefore that the letter is incorrect, dishonest and misleading.

Given that the minister has sent that letter to me, encouraging me to in turn encourage councils in my area to apply for funding, will she confirm whether the shires of Cardinia and Yarra Ranges are eligible for funding from the Regional Infrastructure Development Fund?

Vicroads: Westall Road property access

Hon. ANDREW BRIDESON (Waverley) — I raise an issue with the Minister for Energy and Resources as the minister representing the Minister for Transport in another place. A disgruntled constituent visited my office last Thursday complaining about certain aspects of construction works on the \$37 million Springvale Road bypass in Westall Road. My constituent does not wish to be named at this stage, but he lives in Westall Road. He wrote to the Minister for Transport on 25 October last year and received a reply on 2 February. In part the response states:

Vicroads has also advised that an earlier proposal for access to your property as part of the upgrading works has been modified in consultation with yourself.

My constituent has complained that he did not receive a personal visit from anyone at Vicroads to discuss the problem. He also wrote on 26 May 1999 to Mr Colin Jordan, the chief executive officer of Vicroads, claiming that Vicroads neglected to advise him of those major works.

My constituent is so angry he wants to take out a court injunction to stop the construction of the road. I have advised him that he probably does not have strong legal grounds, but I said I would look after him because his own representative in the Legislative Assembly, Mr Hong Lim, has failed to do anything on his behalf. I seek an assurance from the Minister for Transport to confirm that my constituent was personally consulted by Vicroads regarding access to his property and that

Vicroads made every effort to assist him regarding the impending works.

Water: rural infrastructure

Hon. R. A. BEST (North Western) — I raise with the Minister for Energy and Resources, representing the Minister for Environment and Conservation in another place, the connection of sewerage to small country towns and the review announced by the government and undertaken many months ago. I have now received correspondence from two municipalities within my electorate — one from the Central Goldfields Shire Council, represented by some members in this house, and the other from the Loddon Shire Council — requesting information regarding when the review will arrive at a decision that will advise rural Victorians what price they will have to pay for connection to the sewerage system.

It is without question a policy of the former government that was accepted by many municipalities. In a letter to the Minister for Environment and Conservation dated 3 December 1999 the Loddon Shire Council states:

The Loddon Shire Council, situated in central Victoria, wishes to reinforce its support for the introduction of sewerage into the townships located within the municipality. Council has supported the proposed sewerage schemes since the agreement with the Environsafe 2001 program was reached.

The council wrote on 11 February to David Rae of the Municipal Association of Victoria, stating:

The change of government in Victoria has stalled the progress of the introduction of sewerage into the remaining three towns.

Those towns are Wedderburn, Boort and Pyramid Hill. The letter continues:

I understand that the committee reviewing the pricing policy for sewerage schemes is in the final stages of preparing its report for ministerial approval.

The Loddon Shire Council wrote to the Minister for Environment and Conservation on 14 February, stating:

Please ensure the green light is given to the introduction of sewerage into these towns. Council has committed in support of sewerage and urban drainage, \$4 million over eight years to improve what is very poor infrastructure in our towns. We need the government to support this initiative to ensure an effective outcome is produced. The amount of \$500 000 per annum equates to 12.5 per cent of the rate income of the council.

It is time the government provided the outcome of that review to the local communities. I urge the minister to end the uncertainty and release the findings, advising

people throughout rural Victoria what the pricing formula will be for rural Victorians who want to get sewerage schemes in their small towns.

Local government: rating framework

Hon. R. M. HALLAM (Western) — I wish to raise an issue with the Minister for Energy and Resources, representing the Minister for Local Government in another place. I refer her to a letter recently circulated to councils under the signature of Mr Bob Cameron, MP, Minister for Local Government, headed 'Victorian local government rating framework 2000–01'. The letter states, among other things:

The framework delivers on the Bracks government's commitment to provide financial autonomy for councils in setting rates and charges ...

The letter also claims the government:

... removes the Kennett government's prescriptive requirements for councils to seek ministerial approval.

I quote directly from the letter the description of the framework:

In essence the framework is based on the premise that rates will not increase beyond the underlying rate of inflation, except for spending on 'backlog' maintenance of infrastructure assets.

Given the Labor government's criticism of the concept of a cap being imposed under the Kennett government and given that the new rating framework has a specific ceiling, will the minister explain to the chamber precisely the nature of the technical difference between a rating framework on the one hand and a cap on the other?

Employment Advocate: report

Hon. B. C. BOARDMAN (Chelsea) — The matter I raise with the Minister for Industrial Relations follows up on the question I asked during question time today regarding Australian workplace agreements in the Victorian public sector. I hope the minister has since discovered the report, of which she admitted she had no knowledge in question time. In case the minister has not done that, I bring to her attention that the previous government commissioned the Employment Advocate to arrange for a series of employment consultants to examine the implementation of Australian workplace agreements in the Victorian public sector. Funding of \$14 000 was provided for that purpose.

The resultant report concluded that 78 per cent of employees within the public service were either positive or neutral about the way the Australian

workplace agreements were developed; 76 per cent were satisfied with current employee relations; and 75 per cent agreed or strongly agreed with the measures to balance work and family responsibilities, as included in the Australian workplace agreements. It was a positive and supportive conclusion, giving the agreements a lot of weight.

The government believes in a philosophy of openness, transparency and accountability of government. The previous government commissioned that report with the full intention of releasing it publicly upon its conclusion. I repeat my question: upon the finalisation of the report, will the minister release it publicly?

Albert Park Yacht Club

Hon. ANDREA COOTE (Monash) — I direct the attention of the Minister for Sport and Recreation to the Albert Park Yacht Club, which was established when the Albert Park Lake was only a lagoon. The club has 350 active members and has given pleasure to many sailors.

Albert Park was refurbished under the previous government prior to the staging of the grand prix. As part of that process many pavilions were updated and refurbished, including those of the yacht club's rival, the Albert Park Sailing Club. At that time the yacht club had the better building on the strip and did not receive as much funding.

The yacht club runs a special community program called Sailability. The program teaches disabled people, including children, how to sail. As part of the program the club deals with the spastic society, road trauma victims and the psychologically disadvantaged. It is unusual for members of a sporting club to run such programs because they are usually run by Rotary clubs. With the assistance of a grant from Tattersalls the club has already completed stage 1 of its building plan, which included the installation of a lift for the disabled. It is now ready to put in place stage 2 of the renovations at a cost of \$150 000. Club members believe they can raise \$100 000 and have submitted a request for a sports and recreation minor facilities grant of \$50 000.

Given that it is not asking for total funding for such an excellent project, will the minister please assure the Albert Park Yacht Club he will do everything he can to ensure it receives a \$50 000 grant from his department?

Hospitals: additional beds

Hon. P. A. KATSAMBANIS (Monash) — My question is to the Minister for Industrial Relations, representing the Minister for Health in the other place.

Earlier today the Minister for Health announced that he would provide funding for 360 new hospital beds to be opened around Victoria this winter to relieve the waiting times for emergency surgery, which have blown out over the last couple of months under this government.

However, given the comments of the Australian Nursing Federation and the Health Services Union of Australia, it appears that the minister's promise is undeliverable. The assistant state secretary of the Australian Nursing Federation, Hannah Sellers, suggested that the government should not open the extra beds until it has found the nurses, which would be a difficult task given the number who have left the industry during recent years. The state secretary of the Health Services Union of Australia, Pauline Fegan, questioned whether other hospital support staff, such as cleaners and cooks, would be hired to cope with the extra beds.

It appears to me and to other honourable members on this side that it is axiomatic — in order to have more hospital beds there is a need for more nurses, cleaners, cooks and ancillary staff. It would appear from the comments of the representatives of the federation and the union that the minister had not thought the matter through before announcing the 360 new hospital beds. Clearly the minister is at odds with both the federation and the union. Given that huge question marks have been raised over his promise today, will the Minister for Health assure the house and the Victorian community that it is not another empty gesture and that there will be 360 new hospital beds in hospitals around Victoria before the commencement of the winter period?

Design NTT

Hon. BILL FORWOOD (Templestowe) — The matter I raise for the attention of the Minister for Small Business concerns a young gentleman named Nicholas Taylor, a 22-year-old industrial design graduate from Royal Melbourne Institute of Technology who is studying for a masters degree in start-up business at Swinburne University of Technology and who runs a design business called Design NTT. Nicholas has designed a chair called the Aquarius chair, which I am informed the Sydney Organising Committee for the Olympic Games (SOCOG) is keen to have at the aquatic centre for swimmers to sit on during the Olympic Games. I applaud him for his design skills and his initiative in contacting me.

However, he has a problem. He does not have the funds available to manufacture the chairs that SOCOG needs. SOCOG is keen to have the chairs but does not have

the funds either. Would it be possible for the minister to get her department to match Nicholas Taylor to one of its programs to maximise his opportunity to get the chairs manufactured and installed at the aquatic centre for the Olympic Games, to the benefit of Victorian design and manufacturing and Australia's reputation?

Small business: workplace safety

Hon. W. I. SMITH (Silvan) — I direct the attention of the Minister for Small Business to a business dinner held at the Maroondah City Council two weeks ago at which a range of issues were discussed by the minister.

Hon. I. J. Cover — It was not \$1000 a head, was it?

Hon. W. I. SMITH — No, it certainly was not. At the function the minister said that the government would provide incentives to small business to encourage good safety practices in the workplace. What incentives has the minister put in place for small business to encourage good safety practices?

Bayside Trains: industrial dispute

Hon. D. McL. DAVIS (East Yarra) — I refer the Minister for Industrial Relations to her response to a question earlier today in which she said that in industrial disputes she would act as an honest broker. Will the minister explain whether in the recent transport dispute she acted as an honest broker, and if so, what she actually did?

Commonwealth Games: athletes village

Hon. M. A. BIRRELL (East Yarra) — I direct to the attention of the Minister for Sport and Recreation a matter concerning the 2006 Commonwealth Games. I seek advice from the government on the proposed location of the athletes village. It was originally proposed that it be at Royal Park and there has been some discussion, perhaps uninformed, that an alternative site might be Docklands. As the project will need to start quickly for it to be completed on time in around 2005, I welcome the minister's advice on what plans have been made.

Responses

Hon. M. M. GOULD (Minister for Industrial Relations) — The Honourable Carlo Furletti asked me to refer to the Premier the possibility of renaming Argyle Square. The honourable member raised the issue with the former Premier but was not able to get it up. He has asked me to pass it on to the Premier with a request that he look at the proposal for a name change

and talk to the Melbourne City Council about it. I will pass the matter on to the Premier.

The Honourable Cameron Boardman raised a matter with me following my response to his question earlier today about a report that was commissioned by the previous government on Australian workplace agreements (AWAs). I have restated to him that I have not sighted — —

An Opposition Member — Go and find it!

Hon. M. M. GOULD — It is not in my office, as I have looked — —

An Opposition Member — Go and look for it!

Hon. M. M. GOULD — If the opposition has put in a freedom of information request for the report, I have looked for it. As I indicated earlier today — —

An Opposition Member — You have lost it!

Hon. M. M. GOULD — A copy has not been located in my office.

An Opposition Member — Which office?

Opposition members interjecting.

The PRESIDENT — Order!

Hon. M. M. GOULD — The Honourable Peter Katsambanis raised for the attention of the Minister for Health a matter concerning his announcement today of new hospital beds. I will refer that issue to the minister and ask him to respond in the usual manner.

The Honourable David Davis raised a matter following up on the question he asked during question time about industrial relations. Again I say that with respect to the transport dispute the appropriate place to resolve the matter is at the Australian Industrial Relations Commission, which is where the matter is was resolved.

Hon. C. C. BROAD (Minister for Energy of and Resources) — The Honourable Peter Hall raised for the attention of the Minister for Transport an issue regarding the progress being made for the construction of a pedestrian crossing in Morwell. I will refer that matter to the minister.

The Honourable Ken Smith also raised for the attention of the Minister for Transport whether the \$60 000 allocation presented by the minister to the South Gippsland tourism railway is additional to the allocation already made by Minister Cooper, a minister

in the former Kennett government. I will refer that matter to the minister.

The Honourable Gordon Rich-Phillips requested the Minister for Transport take action to ensure that taxidriviers do not accept fares on the basis of whether they have e-tags. I will pass on that matter to the minister and ask him to respond in the usual manner.

The Honourable Neil Lucas raised for the attention of the Minister for State and Regional Development the status of the Yarra Ranges and Cardinia shires regarding their ability to get funds from the Regional Infrastructure Development Fund. I will refer that matter to the minister and ask him to respond in the normal manner.

The Honourable Andrew Brideson requested the Minister for Transport ensure that a constituent of his be personally consulted by Vicroads and that Vicroads make every effort to help the constituent. I will pass on the details to the minister.

The Honourable Ron Best raised for the attention of the Minister for Environment and Conservation the release of the findings of a report on the pricing formula for the connection of sewerage to small towns. I will pass that request on to the minister.

The Honourable Roger Hallam raised for the attention of the Minister for Local Government the difference between rating frameworks and rating caps. I will refer that matter to the minister.

Hon. M. R. THOMSON (Minister for Small Business) — The Honourable Bill Forwood raised the development of a special chair used by some Olympic swimmers prior to racing. The chair was developed by Nicholas Taylor, who runs Design NTT. He says that the Sydney Organising Committee for the Olympic Games is showing some interest in the chair but that the company does not have the funds to manufacture it. I will pass on that matter to my department to see whether assistance can be made available for the development of the chair and contact the honourable member directly.

The Honourable Wendy Smith raised a business breakfast that I recently attended at Maroondah regarding incentives for small business who offer safe work practices for their employees and implement them in their operations. It is an important issue because if the government is to lower Workcover premiums for small businesses it must reduce or minimise the number of accidents. I am working with the Minister for Workcover to develop options, especially regarding safety management in the workplace.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — The Honourable Kaye Darveniza raised for the attention of the Minister for Police and Emergency Services the safety of a resident in Yarraville. I will pass on that matter to the minister and ask him to respond directly.

The Honourable Sang Nguyen asked a question regarding the important issue of aid for people in the western suburbs who have a background of disadvantage. I will pass that on to the Minister for Post Compulsory Education, Training and Employment.

The Honourable Barry Bishop raised the companion card of the Victorian Network on Recreation and Disability. It is a timely issue because in the past few days I have written to my ministerial colleagues to seek their endorsement of the concept and to establish a partnership with Sport and Recreation Victoria, the Department of Human Services and VicRoads to further develop the concept and a business plan for the card. Having sought the support of my ministerial colleagues I look forward to the concept being brought to fruition. I have sought endorsements from my colleagues because through their portfolios a number of them have jurisdiction over public facilities that could be key players in providing leadership and facilitating the carers card concept. Having sought their support I look forward to the implementation of the concept by the government and to its being taken up by the corporate sector.

The Honourable Andrea Coote raised the Albert Park Yacht Club's building program. I have recently spoken with representatives of Yachting Victoria and I am well aware of the Sailability program in question. It is a fantastic program that encourages participation from groups that are under represented in our community. It is a great opportunity for those who may not normally be engaged in yachting to access the sport. The program offered by the yacht club is worthy. I will not pre-empt the outcome of the application but I can say that on the indications given by Mrs Coote it seems to fit the criteria. I expect it will also have already formed a partnership with local councils, which is part of the criteria. I encourage the organisation to contact its peak body to access funding that body has received to assist underprivileged groups in the community.

The Honourable Mark Birrell raised the potential siting of the 2006 Commonwealth Games athletes village at Royal Park. Although I appreciate that the former government decided Royal Park should be the location for the games village, honourable members may not be aware that there are strict criteria regarding the types of sites at which a village can be located. It is my

understanding further development of the concept design is currently under way, taking into account the viability of the site and the number of heritage buildings on it before a firm decision can be made.

Motion agreed to.

House adjourned 11.00 p.m.

Wednesday, 12 April 2000

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

PAPERS

Laid on table by Clerk:

Statutory Rules under the following Acts of Parliament:

Children and Young Persons Act 1989 — No. 26.

Melbourne City Link Act 1995 — No. 24.

Subordinate Legislation Act 1994 — Ministers' exemption certificates under section 9(6) in respect of Statutory Rules Nos. 24 and 26.

SCORESBY FREEWAY

Hon. G. R. CRAIGE (Central Highlands) — I move:

That this house supports the construction of the Scoresby freeway as an urgent priority project and believes that funding must be provided in the 2000–01 budget.

The motion is not about politics but about planning and having a vision for the future. It is about how the government needs to have plans put in place for the future benefit of Victorians. Today I intend to go through the background of the Scoresby freeway project and highlight the present situation with its construction and to illustrate the issues that arise from the proposed building of the freeway from Ringwood to Frankston.

I will illustrate the real economic and employment opportunities that would flow from the building of that significant freeway network. I will also refer to the importance of linking Victoria and will tell the house of the benefits the state would derive from building a road infrastructure to link Ringwood, Dandenong and Frankston.

The Scoresby freeway proposal is not a new project: it has been around for a long time. In the game they say if it is in the *Melway* street directory it must be true. The proposed route of the Scoresby freeway first appeared in 1984 in the 15th edition of *Melway*.

Hon. M. A. Birrell — Before even we were told.

Hon. G. R. CRAIGE — It is not a new idea.

Hon. T. C. Theophanous — Why didn't you build it?

Hon. G. R. CRAIGE — You happened to be in government then, you goose. You are an absolute fool!

Hon. T. C. Theophanous interjected.

Hon. G. R. CRAIGE — Why didn't you build it then?

Detailed planning work for the Scoresby freeway has been done. The real work began in 1994 when Vicroads commissioned a strategic planning investigation of the Scoresby transport corridor by FDF Management Pty Ltd.

Honourable members interjecting.

The PRESIDENT — Order! Mr Craige has said he intends to give a background, and no doubt he will tell the house about his former role. I suggest government members hold their fire.

Hon. G. R. CRAIGE — That report lists the benefits to be derived from the building of the Scoresby freeway from Ringwood to Frankston.

Hon. T. C. Theophanous interjected.

Hon. G. R. CRAIGE — If I had the time I would list for you, Mr Theophanous, what the former government did, but other honourable members wish to contribute to the debate. The report prepared in 1994 by FDF Management states that if a road like the Scoresby freeway were not built, by 2001 the congestion would be significantly worse than it was even then on the north–south corridors between Ringwood, Dandenong and Frankston.

In September 1996 the Kennett coalition government released a visionary document entitled *Transporting Melbourne — A Strategic Framework for an Integrated Transport System in Melbourne*. That report highlighted the significant gains that would be achieved for Victoria, and particularly Melbourne's eastern suburbs, by building the freeway. On page 2, in the publication's foreword, it states:

Transporting Melbourne looks at transport in its broader urban, social, land-use, environmental and economic context — and no-one has really done that in Melbourne since 1929. It has been prepared in conjunction with *Living Suburbs — A Policy for Metropolitan Melbourne into the 21st Century*, 1995.

On page 35 the document states:

The Scoresby transport corridor, from Ringwood to Frankston, is strategically located in one of the most significant regions in Australia's postwar, car-based suburban developments.

In 1996 an independent policy study for the Scoresby corridor had been initiated through the preparation of an environmental effects statement (EES). All the application and program documents presented by the Kennett government from 1993–94 through to 1999–2000 highlighted the significance of the Scoresby freeway. The forward strategy document for 1997–98 addresses the metropolitan ring-road and states at page 11:

The program proposes commencement of the eastern section of the ring-road in the 'Scoresby corridor' initially from Ringwood to the South Eastern Arterial and later to Frankston ...

A consultant analysis of the economic impacts of the completed metropolitan ring-road indicated a cost-benefit ratio of 3.4, trip time savings of 20 per cent to 40 per cent and direct industry benefits of \$400 million per annum.

The summary of the 1999–2000 forward strategy on page 2, which was submitted to the federal government, refers to linking with industry and exports and states:

Big benefits have flowed from federal investment in the western ring-road. It's now time to start the eastern ring-road.

At page 12 the document highlights the particular benefits of linking with industry and exports and building on our past successes. It highlights the importance of the benefits that the western regions have obtained from the building of the metropolitan ring-road in particular, which connects the existing national highways to the port of Melbourne, the Tullamarine airport, and the major transport corridors to Geelong, Bendigo and the Latrobe Valley.

The strategy also refers to some very important facts about the benefits that can be derived from an orbit or arterial road. It states:

The Western Ring Road continues to provide a significant boost to employment. Between 1991 and 1996 employment within about 5 kilometres of the ring-road rose by 4400 to 46 000. This is an increase of 10.4 per cent compared with a rise of 5.4 per cent for all Melbourne.

The federal government needs to build on its successful past investment by commencing construction of the eastern leg of the metropolitan ring-road as a national highway.

There are no secrets. Clearly from 1992–93 through to 1999–2000 the former government made application to the federal government, saying it should build on the success of its investment in the Western Ring Road and fund the Scoresby freeway. It was consistent in its approach right through to 1999–2000.

The EES process was conducted from 1996 to 1999, and a panel examined the issue from 1998 to 1999. An assessment of the EES was made by then planning minister Maclellan and the decision made that the road should be built all the way from Ringwood to Frankston. In fact, it could be staged, but importantly it highlighted the major benefits that would be derived from building such a significant road in that region.

The Scoresby freeway issue is about looking to and planning for the future so that we can lay the building blocks for the community to have certainty about what will happen. Good planning is about creating certainty in the mind of the public so that business can get on and invest, so that people can decide where they want to live and work, but more importantly so that a network of road infrastructure can be developed that supports the community.

The Scoresby freeway issue is not new. A planning process has been undertaken for a long time, and the vision has been around for a long time. The matter came to a conclusion in 1999. All the planning processes were completed, including an EES and a panel report. The former Kennett government can always hold its head high about its long-term vision — planning for the future rather than reacting in a knee-jerk fashion.

The community would have been dismayed to read the report in the *Age* of 28 October 1999:

Labor says it plans to boost public transport in the outer east.

The Bracks government will ditch plans for the contentious \$786 million Scoresby freeway that would have linked Ringwood and Frankston.

After all the work that had been done, when the ink was not even dry on their commissions, government members decided to ditch the Scoresby freeway project. The article further states:

Instead, it will conduct an outer eastern public transport strategy in a bid to ease north–south congestion in the area, and will immediately upgrade Stud Road ...

That is the key. It just goes to show how stupid government members were. They decided they would immediately upgrade Stud Road, saying, as reported in the article, that it is:

the main north–south connection between Ringwood and Frankston.

They obviously do not know their geography very well. In fact, Stud Road extends only from Bayswater to Dandenong; it does not go from Ringwood to Frankston. The government was absolutely wrong. It

got it wrong 100 per cent and it actually short-changed the people in the east by making the announcement to ditch the project.

The government came to power, made a very quick judgment and tried to overturn all the hard work that had been done over the years. It decided to upgrade Stud Road, which it claims is the main north–south connection between Ringwood and Frankston! May I suggest that government members have a look at their *Melway* street directory and see clearly that Stud Road begins at Mountain Highway, Bayswater; that it crosses Burwood Highway, Ferntree Gully Road, Wellington Road and the Monash Freeway; and that it ends up right in the centre of the City of Greater Dandenong.

Can honourable members believe the government wants to upgrade a road that starts in an area where there is very little manufacturing industry and ends up in the middle of Dandenong? Why would anyone want to do that? I guess the Labor government will have to answer to the people of Dandenong, and — certainly to residents along that corridor — why it is only upgrading Stud Road.

I turn now to an examination of Springvale Road — another north–south feeder road. Many honourable members on this side of the chamber who have travelled along that road clearly understand how congested it is, especially now that the Eastern Freeway finishes at Springvale Road. Problems are caused by bottlenecks along the road, as well as at rail interchanges — for example, at Maroondah Highway, and at the famous intersection of Princes Highway and Springvale Road. I invite honourable members to visit those areas at any time of the day and see for themselves how congested Springvale Road is. In fact, Springvale Road takes traffic from Ringwood and delivers it into the Aspendale area; it really does not serve the north–south route at all.

The Labor government has dealt a significant blow to all Victorians. The proposed Scoresby freeway comprises 40 kilometres, stretching from Ringwood down to Carrum Downs and joining the Frankston Freeway at Seaford. It does not just provide a north–south link; importantly, it links other major east–west corridors and vital growth corridor suburbs.

I will take honourable members on a journey from Ringwood to Seaford, explain the suburbs through which the proposed Scoresby freeway will run and describe the roads with which it will interchange to provide a total, integrated network.

I will start with the Maroondah Highway. All honourable members know that the opposition partnership made a policy decision to complete the Eastern Freeway from Springvale Road to the Maroondah Highway. The opposition does not want it to go just to stage 2 of the Ringwood bypass. That would leave it short and create a bottleneck at the other end. Instead the opposition wants to give motorists the opportunity to depart at the Ringwood bypass as well as at the Maroondah Highway. It will then be easy to link with the northern aspect of the Scoresby freeway.

As one travels south through the suburbs of Ringwood and Wantirna the first significant interchange is Boronia Road. An interchange would be at the Mountain and Burwood highways. As one drives south one comes to Wantirna South, and the freeway crosses High Street Road. As one travels further south one would come to a major interchange at Ferntree Gully Road. For government members who do not know the area as well as opposition members I advise that the Scoresby area is a significant manufacturing and industrial node. Many companies invested in the Caribbean estate simply because the Scoresby freeway was proposed.

As one continues south one travels through Rowville, passing Wellington Road before reaching the significant interchange of the Monash Freeway and City Link in Dandenong North. That interchange would provide all sorts of alternatives for people to access the Monash Freeway so they can travel in a north–south direction.

Travelling south, motorists on the proposed Scoresby freeway would then drive through Noble Park and Keysborough to the Dingley bypass, where there is a significant interchange. One then goes through Dandenong and the interchange at Greens Road, Dandenong South, and then finally reaches Thompsons Road at Carrum Downs, which is a significant interchange.

It is also important to note that the previous Kennett government allocated significant funds to the upgrade of Thompsons Road, a major east–west road that carries high volumes of heavy-vehicle traffic. That funding has been allocated and some work has been done. I am sure enormous benefits will flow from the upgrade of Thompsons Road and the commencement of the Scoresby freeway.

From Carrum Downs motorists come to a major interchange at Seaford linking into the Frankston Freeway. As honourable members can appreciate, the network is totally integrated with the Eastern and

Monash freeways. It would certainly add to the Frankston Freeway. Other speakers will highlight how the Scoresby freeway will add benefits to their areas. However, at this stage it is important to consider the whole integrated network and the enormous benefits that can be derived from such an infrastructure investment.

Using the new-age technology I looked up the Internet to see what councils were involved with the freeway. For the benefit of honourable members who have not done so, a search of the Internet can reveal much information about local government and the significant benefits and industries associated with those councils. I was particularly struck with Hobsons Bay, which was described as 'the economic focal point of Melbourne's west'. Page 1 of the webpage of Hobsons Bay City Council highlights some of the benefits of investing in the region. Hobsons Bay offers location advantages within 10 minutes of the central business district and direct access to the West Gate Freeway and the Western Ring Road. What an enormous boost those access roads must be to local government.

Opposition members argue that similar benefits can be given to councils and communities along the eastern corridor. The following are not my words but those of the *Herald Sun* of 19 April 1994. In an article headed 'Ring-road sparks rush', real estate agent Jones Lang Wootton is said to have predicted that the economic upturn as a result of the Western Ring Road will restore the western suburbs as the industrial heart of Melbourne. The article reports joint managing director of Jones Lang Wootton, Chris Marks, as stating:

The completion of the Western Ring Road will be the final link between Melbourne's key industrial and manufacturing suburbs and Australia's transport spine ...

Further:

The so-called rust-belt state is now giving the rest of Australia a whipping in the charge to attract industrialists and manufacturers ...

That is the key to road infrastructure investment. An article in the *Australian Financial Review* of 22 May 1997 states:

Richard Ellis is forecasting that Sydney will follow Melbourne's lead and show a shift in industrial development to areas linked to new or planned transport routes — in Melbourne, the western industrial zone has surged, largely due to the new ring-road freeway system.

Richard Ellis associate director, Mr Matt Haddon, said new industrial construction in Melbourne's west was likely to rise by 20 per cent this year to 183 000 square metres, compared with a 7 per cent rise in construction to 130 000 square metres in the south-east.

'At the start the 1990s the west was running a poor third to the south-east and outer east', Mr Haddon said.

Now, with the near completion of the Western Ring Road linking every major interstate highway in Melbourne with each other, the west is booming.

That is an indication of the benefits that areas can get from well-planned, well-constructed road infrastructure.

I conclude by dealing with two issues — funding and the strategy of integrating road infrastructure. Since 1993–94 in its submissions to the federal government, the Kennett government has asked for funding for the Scoresby freeway. It is no different from the Western Ring Road; it would be a joint venture between the federal and state governments. It could be a road of national importance.

Hon. M. A. Birrell — A RONI.

Hon. G. R. CRAIGE — That's right. It would be a fifty-fifty arrangement. Geelong road is a clear indication. The Kennett government allocated \$120 million from state revenue following strong representation by the local member of Parliament in Geelong, Mr Cover. The federal government agreed to the Kennett government's submission that Geelong road should be a road of national importance.

There are many examples where the federal and state government have joined to produce good road infrastructure. The motion is about a vision for the future, linking Victoria's road infrastructure, not short-term, stupid statements by the Labor government. It is nonsense to think that the government has said it will not go ahead with the Scoresby freeway and upgrade Stud Road. One must look at the big picture when planning for road infrastructure. The Scoresby freeway, from Ringwood to Frankston with an interchange at the Monash Freeway, would link into City Link. The Eastern Freeway could be completed from Springvale Road through to Maroondah Highway with the Ringwood bypass. Importantly, the Eastern Freeway must be linked into City Link, perhaps at Footscray via a tunnel at Hoddle Street linking it into the major network.

More importantly, the West Gate Bridge and that network will be at capacity by 2011. All the reports indicate that 2011 is critical to the state. The government must invest heavily in road infrastructure. It must link roads so that they deliver real economic and social benefits to the community. The motion clearly highlights that the Scoresby freeway is significant for the people of Victoria. I commend it to the house.

Hon. G. W. JENNINGS (Melbourne) — The motion states:

That this house supports the construction of the Scoresby freeway as an urgent priority project and believes that funding must be provided in the 2000–01 budget.

The motion is extraordinary. It is almost six months since the signing-in of the Bracks Labor government and approximately two weeks before it introduces its first budget. For six months I have heard encouraging words of advice from opposition members about how appropriate it is for the government to consider matters, comply with election commitments and satisfy undertakings given by both sides of Parliament to the Victorian people in the 1999 election. Many lectures have been provided by the opposition about the appropriateness of decision making and the probity and prudent requirements of financial management and responsibility.

Many opposition members entered into that spirit of debate as recently as yesterday when the Financial Management (Financial Responsibility) Bill was introduced. Again the opposition lectured the government on prudent financial management and appropriate decision-making structures and accountability. Today's motion flies in the face of that rhetoric and the proper construction of budgets. It is extraordinary, particularly when one considers that it comes from a former minister of the Crown.

Hon. Bill Forwood — You're obviously not part of BERC, are you?

Hon. G. W. JENNINGS — That is an interesting interjection about the role of the current government's economic review committee of cabinet. If one were mindful of the way the budget is structured one would know that the government is at the stage of proofreading the budget and checking whether the columns are straight. At 2 minutes before midnight the opposition moved a motion that if agreed to would effectively restructure and recast the budget. If the project were funded in accordance with the sloppy drafting of the motion, the project has the capacity to take \$800 million out of a \$20-billion exercise.

The former minister's motion does not take account of the limits of the financial exposure for this financial year. Is it consistent with proper financial management? I doubt it. Is the government supposed to rewind the decision-making process for this year's budget because of what the Leader of the Opposition, Dr Napthine, said at the recent Growing Victoria Together summit? At the time of the summit the Leader of the Opposition said in a press statement that the Scoresby freeway

project was worth considering. Yet within this one press release — —

Honourable members interjecting.

Hon. G. W. JENNINGS — It is an important lesson for us all. I am disappointed that I do not enter into this debate later in the piece. I could then not only highlight the hypocrisy of the mover of the motion and dispute the financial credibility of the proposals but also discuss the contributions of other opposition members. I am sure Mr Lucas will contribute to the debate.

From now on I will be reluctant to sit complacently and listen, as I have done for six months, to the advice of opposition members and former ministers, with their arguments about pork-barrelling and petty political processes. I will not listen to their advice on proper ministerial management and accountability.

Let it be on the record that every time I hear an interjection from the former Minister for Roads and Ports about Waverley Park — he interjects regularly, criticising my colleague the Minister for Sport and Recreation on Waverley Park — I will respond, 'Scoresby freeway'.

The Realpolitik of the motion today is that it is a petty, pathetic, political exercise based on the undertakings the coalition took to the 1999 election. The view of the then government on the urgency of the road project is indicated in the time frame foreshadowed by the then government in the election period. Its proposal was to explore the opportunities to fund the project over a period up to 2010. That was the undertaking. The outgoing government did not include in the forward projections of the budget the Bracks government inherited any funds committed to that project.

Hon. M. A. Birrell — You inherited last year's budget, not the next year's budget.

Hon. G. W. JENNINGS — In the Financial Management (Financial Responsibility) Bill before the house yesterday there was an undertaking by the Bracks government to formally institute three-year forward estimates. The government is happy to enter into that undertaking so that the Victorian electorate can be clear about projected undertakings, not only in the current financial year but in future years.

As anybody would know, and particularly as any former minister would know, the internal structure of the budget prepared by the government has not been previously disclosed, but there is an internal working regime where forward estimates are well established and acknowledged as part of the budget preparation.

Officers of the Department of Treasury and Finance and the Victorian public sector are beholders of the ongoing budget structure. It is clear the structure the Bracks government inherited did not include forward estimates and an allocation of funds for the Scoresby freeway project, regardless of its merits.

The motion before the house today is hypocritical because it means there is a discrepancy between the undertakings taken to the Victorian people by the then government — they were the undertakings implicit in the structure of the budget it left behind — and the situation today. We fast-track to the situation where the opposition expects the government, at 2 minutes to midnight, in preparation of this year's budget, to fundamentally recast the budget and fast-track that proposal.

Let us consider the order of magnitude of this proposal compared to the undertaking the Bracks government entered into regarding Waverley Park, for which the government has been pilloried on any number of occasions during the term of its office. In a worst-case scenario the magnitude of the financial exposure of the state was \$80 million; the exposure of the state for the Scoresby project would be 10 times that magnitude. The opposition is guilty of playing party politics and abusing the processes of the Parliament and the purpose of general business.

I have entered into the spirit of responding to the motion put by the opposition in this house, recognising the invalidity of the scrutiny the government has been subjected to. From the first time I contributed to the debate on the general business items, to which I am a regular contributor, on every occasion I have entered into the legitimate spirit of the expectations the opposition has had of the government, drawing attention to the government's obligation to be accountable and responsible. On every occasion I have entered into the spirit of ensuring the government satisfies the commitments it went to the Victorian people with.

Today my spirit is different because the motion is humbug. It is clearly not in accordance with the principles of proper financial management and of satisfying the undertakings the Labor Party took to the Victorian people at the most recent election, principles to which the opposition has drawn the attention of government members time and again.

Regarding the undertakings of the Labor Party to the people of Victoria in the lead-up to the election, the ALP was prepared to consider the merits of the Scoresby freeway proposal in light of the other priority

projects the government has already said it is prepared to fund. The budget will be announced in a fortnight and will give greater details of the important projects that will be funded in the next financial year. The government is happy to fund those projects. It sees the project as urgent but, if it were to comply with the letter of the motion before the house today, it would put in jeopardy the funds made available by the Bracks government for the Eastern Freeway extension, the Geelong road upgrade — —

Hon. G. R. Craige — That was allocated by us previously.

Hon. G. W. JENNINGS — A critical point, Mr Hallam. I am quite happy to pick up the interjection, which indicated —

Hon. G. R. Craige interjected.

Hon. G. W. JENNINGS — I apologise, Mr Craige. I hold Mr Hallam in high regard. No insult was implied by referring to you as Mr Hallam. I apologise to the house and to Mr Craige for making that comment.

But the point Mr Craige raised is relevant. Mr Craige has clearly put on record by way of interjection that a number of projects were in the budget and were undertaken. They were built into the future estimates within the budget structure. He clearly tried to embarrass me, suggesting that the undertakings the government will fund in its upcoming budget were predetermined and locked in by the previous administration.

That supports my argument that the cost of the Scoresby freeway was not built into the future estimates and that the outgoing administration had no intention of funding it in this budget, let alone requiring it to be funded in the 2000–01 budget.

On the government's ongoing support for the road, I am happy to say on the record that the government has sought and will continue to seek federal government funding for it.

Hon. B. C. Boardman — Have you got some evidence? Are you going to table a letter or something like that?

Hon. G. W. JENNINGS — No, I am not.

Hon. B. C. Boardman — How can you prove it? You cannot make allegations like that without some evidence.

Hon. R. H. Bowden — On a point of order, Mr President, the honourable member has mentioned correspondence between the state and federal governments. I ask you to rule that he table the documentation.

Hon. G. W. JENNINGS — On the point of order, Mr President, I did not refer to any correspondence. Mr Boardman made mention of correspondence, as I understand it. *Hansard* will record that I did not refer to correspondence at any stage.

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

Hon. G. W. JENNINGS — The government is prepared to pursue funding for the road with the federal government.

The Leader of the Liberal Party in the other place, Dr Napthine, entered into debate on the issue as recently as the end of March. In a press release issued at the time of the Growing Victoria Together summit he indicated he was prepared to support the project on the basis of federal funding and urged the Bracks government to lobby the federal government. The press release of 31 March states, in part:

... I again urge Premier Bracks to treat the Scoresby Freeway proposal more seriously and lobby the federal government for funding of this vital link.

The government adopts the spirit of that contribution and will pursue federal government funding for the project.

In the same press release Dr Napthine goes on to suggest that the government should explore funding the project from the state budget surplus, the line Mr Craige has pursued in the house today. However, the opposition's position on how the road should be funded is inconsistent. As long ago as 1994 work was done on behalf of the previous administration by the consulting company — —

Hon. G. R. Craige — FDF. I have already quoted from that, and if you had been in the chamber you would have heard me.

Hon. G. W. JENNINGS — I am happy for Mr Craige to support my contention that work was done as far back as 1994 on the funding of the road.

Hon. G. R. Craige — No, on building the road.

Hon. G. W. JENNINGS — At the time suggestions were made about the most effective method of placing toll structures on the road to fund the proposal.

Hon. G. R. Craige — Yes, it is not a secret document.

Hon. G. W. JENNINGS — It is important that honourable members understand and that it is on the record that the opposition's position on the funding mechanism for the proposal is lateral. It seems that it has not ruled out any mechanism by which to fund the road, whether it be by eating into the state's coffers at the expense of other priority road projects that both sides of the house undertook to the Victorian people to fund, by exploring the potential for federal funding or by imposing user-pays principles and tolls to maintain ongoing financing following the construction of the road.

The Bracks Labor government rejects the toll option. It has neither the desire nor the political will to impose a toll structure on the people of Victoria, and Victorian motorists and will not pursue the option. On assuming responsibility for the transport portfolio, the Minister for Transport in the other place, Mr Batchelor, asked his department to conduct a contemporary analysis of the price structure that would apply to tolls for travel on the route if it were funded that way. On 4 November 1999 he announced his department estimated that motorists would be charged \$8 per trip. So far as the Bracks Labor government is concerned that is not an acceptable approach to financing the project and is not an option it is prepared to contemplate.

Hon. G. R. Craige — Yes, it is not an option for you to build it, that is correct. You will not build it; you have already said you will not build it.

Hon. G. W. JENNINGS — The option to build it is still alive, Mr Craige.

Hon. G. R. Craige — No, it is not. Excuse me!

Hon. G. W. JENNINGS — I am prepared to go on the record as saying I am happy for every press release the opposition generates on the issue to state that the option is alive. I am sure opposition members are lining up to issue press releases about the debate. I reiterate that I am happy for every opposition press release on the matter to state 'Government member confirms that the option is alive'. I will be surprised if my generous offer to the opposition is taken up in the preparation of press releases that may emanate as a result of this debate.

I would also be happy for any opposition member who wishes to comment to the media on the issue to also place on the record that the Victorian government is prepared to lobby and hold discussions with the federal government on funding the project in the future. I

would be happy for that to be a feature of any further statements the opposition may generate on the matter.

I oppose the motion because it is nonsensical. It has been moved by a former minister who is very aware of the way budgets are constructed in the Victorian public sector and of the parameters that surrounded not only the policies the Bracks Labor Party took to the people of Victoria at the 1999 election but also those taken to the election by the former coalition government. No party went to the 1999 election having given an undertaking to the people of Victoria that the road would be funded in this budget — no party.

The motion is hypocritical. No political party went to the Victorian people in September last year with an undertaking to construct the Scoresby freeway. The former Kennett government made no allocation for the construction of the freeway in its forward estimates. The Bracks Labor government does not have a mandate to build the freeway. The government is giving priority to the projects that it sought a mandate for from Victorians in September last year. The community has every right to expect the Bracks government to give priority to the projects it identified at the election and for which it has a mandate. The government does not have a mandate to readjust the budget at 2 minutes to midnight.

The government does not believe the debate on notice of motion no. 2 is a proper use of general business. This is the first time that I have disputed the premise that the opposition has an obligation to insist on the accountability of government. I do so on the basis of the hypocrisy that is at the heart of the motion. I will not listen to sanctimonious lectures from opposition members about proper government processes, especially those that occur during question time and the debate on the motion for the adjournment of the house.

The opposition refers to the knowledge and experience that it has about proper financial management, accountability and delivering on commitments to the people of Victoria. I will wholeheartedly debate and support any call from the opposition for the government to fulfil the promises it put to the people. The construction of the Scoresby freeway is not a commitment that Labor put to the people of Victoria. Not only do I oppose the motion, but I will not listen to sanctimonious lectures from opposition members.

Hon. R. H. BOWDEN (South Eastern) — I support the motion because the construction of the Scoresby freeway is a necessary piece of infrastructure for the Victorian people, especially those living in the south-eastern and north-eastern parts of Melbourne.

After listening to the contribution of Mr Jennings, I cannot help think that the government has moved from being a ‘cannot do’ government to a ‘will not do’ government. The government and Mr Jennings do not understand that the freeway has to be built. One of the priorities of government is to provide necessary infrastructure and the Scoresby freeway is necessary infrastructure. The motion is about vision. I am sure when motorists are stuck in traffic in Stud Road or are gridlocked in that part of Melbourne they will be comforted to read the contributions of government members, including Mr Jennings. The government is a ‘cannot do’, ‘will not do’, ‘will not listen’ and ‘cannot understand’ government.

Victoria is an essential part of the Australian economy. The Scoresby freeway is an essential part of the Victorian economy and has to be built. Some 46 per cent of the economic activity of Victoria takes place in the region affected by the Scoresby corridor. About 1.2 million people live in the general area and are affected by the provision or lack of provision of this necessary piece of infrastructure. When the Bracks government says that it cannot do it, will not do it and that it is not one of its priorities, it negates the basic responsibility of government.

The south-eastern and north-eastern regions will gain enormously from the development and construction of the freeway. Those benefits were clearly outlined by Mr Craigie in his contribution. He assured the house of the benefits that would flow broadly and specifically. Melbourne is a motorised economy. It is not like some cities in Europe or other parts of the world that rely on public transport. It is a dereliction of the government’s duty if it does not recognise that and plan and budget for it.

My constituents were disappointed to read a headline in the *Age* of 28 October last year, ‘\$786 million freeway link scrapped’. The people I represent find it difficult to believe the government would, just a few days after being commissioned to govern the state, set out some of its priorities, one of which is the scrapping of an essential freeway link. It is going back to the past — to the 1980s when a previous Labor government had a problem with roads and freeways. I have travelled the world and I have never come across traffic lights on a high density road like occurred with the South Eastern Arterial Car Park. I clearly remember the debate about not building the South Eastern Freeway. The freeway had to be built for the same reasons that the Scoresby freeway has to be built. They are prime infrastructure assets of this great city. I become nervous as I cast my mind back to the early 1980s and remember the debates in the Cain government about the construction of the

South Eastern Freeway. I wonder whether this Labor government has learnt anything from the past.

Safety issues are an enormously important part of road infrastructure. The estimates of the cost to the community of a fatality or serious road accident vary, but whatever the estimates, it is hundreds of thousands of dollars. The economic benefits range from the savings in time to the cost of upgrading roads and improved infrastructure. They are clearly accepted as obvious benefits for the state.

The construction of the Scoresby freeway would have a positive impact on business, jobs and employment prospects. One has only to look at the benefits that have accrued from the Western Ring Road to see the mirror effect that would accrue to the communities in the eastern part of Melbourne from the construction of the Scoresby freeway.

One can look at the economic benefits in time and cost savings, putting aside the real, tangible and valuable safety benefits that lead to the inescapable conclusion that the freeway must be built.

Previous government speakers were unconvincing in their contributions to the debate, and I will carefully read *Hansard* to note the government's argument for not committing to this essential piece of infrastructure. One of the highest priorities of any government, and indeed it could be argued the highest priority, is to raise the standard of living for the constituents the government represents.

The completion of necessary infrastructure is part of the standard of living. The strongest economy similar to ours is the economy of the United States of America. There are many cities smaller than Melbourne, including Cincinnati, Indianapolis, Columbus in Ohio and others, that are surrounded by ring-roads. The cities have populations of a million-plus, in some cases 1 to 2 million, and the ring-roads provide a link around the cities. Traffic that does not need to enter the cities is diverted away from the metropolitan areas. The transport of goods and services through the networks is facilitated by the ring-roads.

The economy of the United States — and in particular the economies of the mid-west and the south-east, with which I am quite familiar — has benefited enormously from having appropriate, city-based ring-road systems. Although the population density of the United States is different from that of Australia, on a state economy basis, comparing them one with the other, I am sure honourable members will find that there is a marked

similarity. Victoria's economy is similar to the economies of many US cities that have ring-roads.

We live in a competitive society and a competitive economy at the state, national and international levels. We must ensure that our service industries and our economy are equipped with the very best resources to compete. If goods and services cannot be moved across cities to ports and airports efficiently and at a competitive price, we will pay dearly. The state's competitiveness would be lowered, international trade and business would be lost, jobs would be lost, and our standard of living would fall.

Infrastructure in the form of integrated transport systems, of which the Scoresby corridor and Scoresby freeway are to the forefront, must be provided. The Scoresby corridor runs from the Frankston area up to the Maroondah Highway in Ringwood. It is approximately 38 kilometres long, and the land has been reserved since the 1960s. As the Honourable Geoff Craigie said, this is not a new project. It is not a surprise. It is a longstanding reservation. Some 80 per cent of the land is available, so it is not as if a swathe would have to be cut through a metropolitan area. The land has been reserved, and the vast bulk of it is available. The corridor represents crucial north-south access for business, personal travel and efficiency.

The population of Melbourne in 1991 was 3.16 million. By 2020 the conservative estimate is approximately 3.76 million, with an annualised average growth rate of 0.42 per cent per annum. I received a letter on City of Dandenong letterhead dated 1 March from Cr Greg Harris, the chairperson of the Eastern Ring Road Steering Committee. Attached to the letter is a report on the eastern ring-road dated July 1998. The report is endorsed and supported by eight councils — Dandenong, Kingston, Knox City, Frankston City, Maroondah, Monash, Whitehorse and the Mornington Peninsula shire, and two other highly regarded organisations, Business East and the Western Port Development Corporation. The letter from Cr Harris states:

The steering committee believes that the way forward to overcome this restriction is for the government to accept the findings of the Scoresby transport corridor environmental effects statement and to plan for the development of the freeway.

The letter further states:

The Eastern Ring Road Steering Committee, comprising councillor representatives of eight councils along the Scoresby corridor, consider the construction of the Scoresby freeway to be critical to the ongoing development of this region of Melbourne, as highlighted in the attached brochure.

I refer honourable members to a report entitled *The Eastern Ring Road — Preventing Gridlock in the Nation's Largest and Fastest Growing Economic Region*, which is supported by the councils I earlier referred to. At page 5 there is a statement by Cr Harris, who at that time was the mayor of the City of Greater Dandenong, in which he states:

Sustained population and economic growth across our entire region is driving the need to commence construction of the eastern ring-road now ...

The report further states on the subject of gridlock:

More than \$5 billion per year is spent on operating private vehicles, excluding garaging and parking costs. Travelling time has been estimated at around \$6 billion per annum, and road accidents cost an additional \$375 million per year.

The report continues:

North-south traffic movements along the Scoresby corridor are placing enormous pressure on the Stud Road and Springvale Road network. Traffic becomes heavily congested at many key points along the corridor. The situation is already causing long delays and is causing unsafe conditions on other secondary and local residential roads as traffic seeks to find alternative routes along the corridor.

As honourable members who know the area well can attest, at times the volume of traffic on Stud Road is unacceptable and dangerous. On a typical business day if honourable members were driving towards Dandenong from Springvale Road they would find that the traffic pressure on the Monash Freeway is extremely heavy in the Dandenong area. To upgrade Stud Road and ignore the Scoresby corridor will add enormous pressure to a road that is already approaching peak capacity.

I find it difficult to understand why the state government cannot comprehend that although it is desirable to improve Stud Road — I fully support the upgrade of Stud Road — the upgrade of Stud Road should not be at the expense of the construction of and commitment to the Scoresby freeway.

Within the Ringwood and Bayswater areas bordering the proposed route of the Scoresby freeway to the north, major manufacturing organisations including Monier Wunderlich Roof Tiles, Boral, Nubrik Roofing Tiles Pty Ltd, Visy Board Pty Ltd, Stegbar Pty Ltd, Southcorp Water Heaters Australia and many others provide employment for my constituents.

I am extremely concerned at the failure of the government to understand the need to commence the construction of the Scoresby freeway immediately. Thousands of my constituents from the Mornington Peninsula, Cranbourne and areas south of Cranbourne

travel daily to the Dandenong and Ringwood areas. That drive and the potential for car accidents because drivers cannot use a freeway are placing my constituents at an unnecessary risk. I am concerned for the travelling safety of, and employment prospects for, my constituents. The government does not understand its responsibility to provide the infrastructure to improve the economy so my constituents, including manufacturers, can move in and out of the city safely, economically and efficiently. Goods and services should be able to be provided to my constituents in a competitive envelope.

During the contribution of the government member I listened for, but did not hear, the acknowledgment that the Dandenong, Ringwood and Frankston areas are important national growth centres. The entire region is an important, fast-growing residential area with small business areas. Many of my constituents work in Frankston and Seaford, which are renowned as small business areas.

Manufacturers and providers of goods and services produced in the southern part of the north-south corridor need ready access in the ebb and flow of traffic to areas as far north as Maroondah. If the freeway is not built they cannot expect that access. The alternative routes available today will reach capacity in a few years. It is not realistic to say we cannot do it: we must do it.

On page 8 of the eastern ring-road report of July 1988, under the heading 'Constraints on growth', it is estimated that by 2011 — which is not long from now in the provision of government capital and planning of infrastructure projects:

... there will be almost as many person trips in the Scoresby corridor as now occur over the whole of Melbourne today.

The statistics in the document are broken down into reasons for travelling. The reasons for the increases are anticipated to be work-related, by 32 per cent; and non-home-based, by 29 per cent. By 2011 the number of person trips within the Scoresby corridor is expected to grow by 36 per cent over the 2.1 million trips made in 1998. Improvements to Stud Road and Springvale Road will take some of that pressure off the system, but those routes will need to be augmented by construction of the Scoresby freeway.

Victoria has two fine bays in Port Phillip Bay and Western Port. For some time the heavy and medium manufacturing bases of our city have been centred, among other places, in the Dandenong and Bayswater areas. Manufacturers need road access to ports. It is difficult to transport 20-foot or 40-foot containers from

the southern end of the proposed Scoresby freeway corridor to Melbourne's ports. Similarly, the transportation of containers from Ringwood or Bayswater to the northern or southern zones of the port of Hastings proves costly. The road system must be constantly improved to facilitate the movement of goods.

In recent years, because of better technology and the need to be competitive, the size and weight of commercial trucks have been increased. The upgrade of Victoria's roads will ensure manufacturers can continue to compete cost effectively through less travelling time. The present limited road access to ports on the north-south axis must be improved. As I said earlier, the statistics show that 46 per cent of Victoria's manufacturing base and the provision of goods and services comes from my electorate, but Victorians are running out of road capacity.

It is also important for my constituents, particularly those in the manufacturing sector, to have improved, cost-effective vehicular access along the north-south corridor to airports. City Link is a good addition to Melbourne's infrastructure profile. Until 2011, City Link will be capable of handling the expected increased vehicular traffic, but the government must plan further feeder capacity to ensure access, particularly to Melbourne Airport.

I appreciate that rail access on the north-south axis will never be available to substitute for the construction of the Scoresby freeway; I have no information to convince me that a rail service will link Frankston to Bayswater. Therefore, the argument cannot be put that a possible rail route on the north-south axis would bring into question the cancellation of any plans to construct the Scoresby freeway. The only option is for the government to build the Scoresby freeway.

Access to public transport is important for my constituents. I am concerned that thousands of them travel daily from the Mornington Peninsula, Cranbourne and the southern areas of Gippsland West to Melbourne for their employment. If they do not have cars, many are deprived of the prospect of getting jobs because of the lack of public transport to and from the Bayswater and Ringwood areas and the Mornington Peninsula. I am concerned for the safety of my constituents who, because of the lack of public transport, are forced daily to drive from, for example, the Mornington Peninsula to Dandenong, Bayswater or Ringwood. Based on what the government has said today, my constituents are not getting a fair go. The government does not understand and has not focused on the need to build the Scoresby freeway.

Environmentally it is generally understood and accepted that a vehicle constantly being driven at an efficient speed will minimise pollution through vehicular emissions.

Although more people may be on the roads, the pollution per vehicle would be minimised. We should avoid situations of having stop-start traffic. The horrendous situation exists on Stud Road and others where vehicles are stopping and starting all the time. That is neither efficient nor desirable. It is certainly expensive. The operation of a vehicle at an inefficient level also causes pollution. A freeway is much safer and enables vehicles to operate in a less polluting mode.

Given the millions of vehicle movements involved per day and the time frame being discussed for the Scoresby corridor, it is simple commonsense that on environmental grounds the freeway has to be built. The government should focus on the Scoresby freeway as a vital part of Victoria's infrastructure. It is no good telling 1.2 million people in Melbourne today that the government is not interested in them — it has to be interested in them. Opposition members represent many of them, as do government members. To my mind this is not a party-political issue. The Scoresby freeway simply has to be thought about, committed to and commenced. There are business and personal safety costs, and economic development and employment benefits. The project should be started now.

At page 8 of the 1998 report on the eastern ring-road to which I referred earlier, Cr Wayne Woods, mayor of the City of Frankston, summarises the position very well when he states:

We must act now. By 2011 there will be almost as many person trips in the Scoresby corridor as now occurs over the whole of Melbourne today.

That comment made by the mayor of Frankston in 1998 still holds true and is just as valid today.

The Kennett government did a good job in planning, committing and constructing necessary additions to Victoria's infrastructure. I have yet to be convinced on behalf of my constituents that the current government understands the importance of planning, commitment and construction and focusing on the real needs of our economy.

Good roads and their infrastructure represent safety. A government that neglects its infrastructure and safety neglects its people and its responsibilities.

Hon. G. D. ROMANES (Melbourne) — It is with some incredulity that I address the opposition's motion

this morning. Since the September 1999 state election the opposition has discovered the Scoresby freeway as an urgent priority! The Honourable Ron Bowden has just spoken about the freeway as necessary infrastructure that should be constructed posthaste. But when opposition members were in government — that is not so long ago — they failed to fund the Scoresby freeway and treat it as an urgent project.

The coalition's policy for roads and transport before the election in September 1999 states:

The government will commit itself to the development of major new highway routes — the Eastern Freeway extension and commencing construction of the Dingley bypass. We will examine development options and pursue commonwealth funding for the Scoresby freeway ...

Hon. B. C. Boardman — Who said that?

Hon. G. D. ROMANES — Mr Kennett.

Hon. B. C. Boardman — When?

Hon. G. D. ROMANES — September 1999. Under the heading 'Achieving our goals' the coalition's policy document refers to the development of key metropolitan highway routes. It states:

Up to 2010, the coalition will undertake the following projects in metropolitan areas:

complete the Eastern Freeway extension ...

complete the section of the Dingley bypass ...

I am not quoting every part of every sentence, but just highlighting that certain commitments were made to complete certain metropolitan highway routes, including the Geelong road upgrade.

In regard to the Scoresby freeway, the coalition's commitment was to:

examine development options and pursue matching commonwealth funding for the Scoresby freeway with the objective to construct it within the next 10 years ...

Hon. G. R. Craige — Yes, matching.

Hon. G. D. ROMANES — Mr Craige directs attention to the word 'matching', but nowhere in the forward estimates did the former Victorian government provide funding for the Scoresby freeway. So, despite the opposition's intense interest today in the issue of the Scoresby freeway, the policies and programs indicate the Scoresby freeway was only a distant dream for the next decade. The promise was only for construction by the year 2010 — hardly an urgent priority. The only way that the expensive Scoresby freeway project — which is now forecast to cost \$820 million — could be

constructed would be to get commonwealth support for it.

As honourable members know, the coalition government explored other forms of funding. In 1994, when tollways were the flavour of the decade, a study was conducted into building the Scoresby freeway as a tollway rather than a freeway. The information then collected suggested the imposition of tolls would have the adverse effect to that sought by building a freeway — which would be there as infrastructure supposedly to support the economic development of the area. The research shows that even if the toll was \$2 it would result in vehicle diversions of 55 per cent into the surrounding streets of those suburbs.

As honourable members heard earlier, the Honourable Gavin Jennings mentioned that upon assuming office the Minister for Transport, the Honourable Peter Batchelor, requested further information about those calculations. He discovered from the department that based on the estimates for 1999 it would cost \$8 for a single journey from Frankston to Ringwood if the Scoresby freeway were constructed as a tollway. It is clear that tollways are not feasible as a means of building infrastructure that will be used to the maximum. The Bracks Labor government will not use tollways as a means of funding new road projects.

We have also confirmed that there has been massive tollway avoidance on the City Link. Despite all the plaudits from the opposition about what a great piece of infrastructure the City Link is, major difficulties are being experienced with the western link and the tunnel constructions.

On 4 April Vicroads released comparisons made by the City Link monitoring committee before and after the tolling period — that is, between the period prior to 15 August 1999 when the western link was opened and the conclusion of the summer holidays after 25 January 2000. The comparisons show that City Link's promise to take traffic out of the surrounding suburbs and to direct it more effectively and efficiently around the city has not as yet happened and that tolling of the City Link is a major factor in the outcome being witnessed today. Traffic using the western link has decreased and traffic using the surrounding suburbs and streets has shown a massive increase. Traffic has decreased at 11 monitoring points and increased at 22 monitoring points, producing an increase of traffic into surrounding suburbs.

Hon. N. B. Lucas — On a point of order, Mr Acting President, the debate so far has not covered anything to do with tolling on the western link of the City Link

project, nor has it covered anything to do with traffic volumes in the inner Melbourne area. The debate has been on the Scoresby freeway — the opposition's desire to have it constructed and the government's desire not to talk about it. I ask that you, Sir, rule that the honourable member's comments about traffic volumes and traffic diversions from the western part of City Link are far away from the topic. I also ask you, Sir, to rule on the matter of relevance, given the tight wording of the motion.

Hon. G. D. ROMANES — On the point of order, Mr Acting President, the debate is about funding the Scoresby freeway. I make the point that different ways to fund the Scoresby freeway have been considered in the past. Tolling of the proposed freeway was one such method. The calculations to which I have just referred confirm what is happening on the tolled City Link, giving rise to the conclusion that tolling is not the answer to funding.

Hon. Bill Forwood — On the point of order, Mr Acting President, I remind the honourable member through you, Sir, that points of order are not used to debate issues. The motion is specific. It states and believes funding must be provided in the budget for 2000–01. It does not talk about tolling at all. Tolling may be an option, but the motion specifies the need to provide funding in the forthcoming budget. Obviously the honourable member is out of order. Her comments are not relevant and should be ruled out of order.

The ACTING PRESIDENT
(**Hon. E. G. Stoney**) — Order! I ask Ms Romanes to come back to the motion. The debate is narrow, but other matters can be brought in where necessary. However, I believe it is now appropriate to come back to the motion.

Hon. G. D. ROMANES — A tollway is not an option for the Scoresby freeway. The government's option is to seek funding from the commonwealth government.

The debate has dealt with integrated transport. Mr Craig talked about Transporting Melbourne, a strategy of the previous government. It was a good strategy because it took an integrated approach and gave weight to the various means of transport and the different elements of the transport system, not just road transport. However, the previous government did not support funding sufficient to meet the vision and objectives of Transporting Melbourne.

I refer to the *Scoresby Transport Corridor Environment Effects Statement, Volume 1* published in June 1998. In

particular I refer to issues of importance raised by communities and the different stakeholders who took part in the range of consultations. I refer to the conclusion — —

An Opposition Member — Which page?

Hon. G. D. ROMANES — It is in section 3.4. There is no page number. The conclusion highlights that early consultation identified open space as the most valued feature of the corridor. It stated there was widespread agreement about the need to improve roads and public transport.

Under the heading 'Attitudes of stakeholders' paragraph 3.5 of the report refers to a second level of consultation that examined in more detail the needs and views of people in the area. The conclusions summarised in the margin state:

The Eastern Ring Road Steering Committee advocates building the Scoresby freeway.

Further it states:

Councils in the corridor generally supported an integrated package of road and public transport measures, including the Scoresby freeway.

A number of peak community groups —

including the Western Port Development Corporation, Business East, the Public Transport Users Association and the Town and Country Planning Association —

advocated significant upgrading of public transport services.

A number of environment groups were concerned about potential impacts on the natural environment of the Dandenong Valley.

Disability groups are concerned with equitable treatment of people with disabilities.

Youth groups advocate improved access to recreation, education and work opportunities.

Each of those paragraphs summarises the major concerns of a particular stakeholder group. As I said, the people who participated in the environmental effects statement process held the same view as that of the former government: that an integrated transport approach was needed to meet a range of needs with a range of options. The Bracks government recognises the need to improve public transport and the road network to meet the transport needs of Melbourne's outer, eastern and south-eastern suburbs.

Over the next four years a number of improvements have been committed, including a tram link to Knox City shopping centre, identifying a preferred rail route

to Rowville via Glen Waverley or Huntingdale, and significantly upgrading Stud Road.

Other initiatives, including a new express flyer train service, will be introduced on the Dandenong, Frankston and Ringwood rail lines, along with various other initiatives in the road and public transport area that relate to the Scoresby corridor.

Later this year the government will begin work on the outer eastern transport strategy. That is important in the planning of land use, the marrying of the different elements of planning as particular actions are taken and the effect is felt of one upon another part of the region or on Melbourne as a whole.

The future Melbourne strategy plan and the regional outer eastern plan will be an important part of the process. Mr Craige spoke about Linking Victoria, but the government has already said a whole range of projects will be funded under the program.

The Bracks Labor government is committed to implementing the Eastern Freeway extension to Ringwood, the Hallam bypass and also to upgrading Geelong road. A number of transport proposals are happening. The Bracks government made commitments at the last election, as did the coalition, about developments for the construction of the Scoresby freeway and to seek funding from the commonwealth government. That is the only way forward for a major project of that size. The opposition motion puts the issue forward as an urgent priority project but smacks of hypocrisy and should be opposed.

Hon. G. B. ASHMAN (Koonung) — I am delighted to join the debate on this important issue for the eastern and south-eastern suburbs. The Scoresby freeway was first talked about in the late 1960s when Sir Henry Bolte was the Premier. The then proposed freeway also appeared in the first of the *Melway* street directories. The project has been identified for more than 30 years and it is now time for it to proceed.

When the Bolte government identified the site in the late 1960s one would have to say that the government was visionary in identifying the future needs. At that time Scoresby was a small village, Bayswater had not fully developed, Wantirna only just existed as a small suburb and the area around what is now Knox was only paddocks. I can recall at that time the parents of a friend of mine had a property adjacent to the Stud Road and Burwood Highway intersection and we would chase the cows to get them in for milking. Much development has taken place since. That is how far sighted the

government was in the late 1960s in planning for the freeway. Rowville did not exist.

Hon. B. C. Boardman — Frankston was a movie set then!

Hon. G. B. ASHMAN — Yes. It was not a complimentary movie set or seen as being one of the most desirable places in the world. Some 30 years on suburbs stretch from Bayswater through to Dandenong and enormous development has taken place in the corridor from Dandenong to Frankston.

The \$600 million project not only duplicates Stud Road, as has been suggested, it covers about 40 kilometres from Ringwood through to Frankston. The project has unswerving support not only from the community along the corridor but also from the municipalities and local state and federal members of Parliament. From recollection, some 20 signed a letter in support of the freeway. At the time that support was generated the municipalities were run by commissioners, and Ian Cathie, a commissioner, signed on behalf of the City of Dandenong.

The project has wide-ranging community support because it is an important north–south link and will generate significant economic benefits for the outer eastern region. Unless the freeway proceeds the south-east will begin to lose industry to the western suburbs. A number of companies have relocated to the western suburbs because of access to the Western Ring Road. The Scoresby freeway will be the lifeblood of the east and the south-east. It will service Western Port and probably by the end of the next decade it will also service a community of about 4 million. It is estimated that the region will also generate about 46 per cent of Victoria's manufacturing output. All those goods are moved by road.

Currently the Scoresby corridor between Bayswater and Dandenong is handling in excess of 80 000 vehicles a day. Approximately 40 000 to 60 000 vehicles a day use Stud Road at particular points and about 50 000 to 70 000 vehicles a day use Springvale Road at different points. Significant traffic volumes are moving north and south.

Some of the opponents of the Scoresby freeway proposal are arguing that public transport should be added to the corridor. Every one of the public transport options put forward moves people from the east to the west. How a tram that will travel along the Burwood Highway in an east–west direction will alleviate traffic congestion on Springvale Road, with vehicles travelling in a north–south direction, I do not know. A

government member might like to explain to me why an east–west movement will substitute for a north–south movement. One proposal is that a train run from Glen Waverley to Rowville, once again an east–west movement.

The house is really considering two separate arguments, so two separate debates need to be held: the first debate should address the Scoresby freeway — the debate the house is having today — and the second public transport issues. That debate would concern people moving from the east to the central business district or points between. Clearly they are two different proposals.

The Liberals and Nationals in coalition had a priority on roads. Geelong road was the no. 1 priority. That is now under way. I do not think anybody in the Parliament would dispute the need for the Geelong road upgrade. No. 2 priority was the Scoresby freeway. It was clearly high on the former government's road construction agenda.

On a daily basis some 8 million vehicle trips occur in Melbourne; 40 per cent are within the Scoresby corridor. The cost benefit on the project is 5 to 1 — that is, there is a return of \$5 for every \$1 spent on construction.

Hon. T. C. Theophanous — Have you spoken to your federal counterparts?

Hon. G. B. ASHMAN — We certainly have, and we are continuing to pursue that issue with them.

The Scoresby freeway is the logical continuation of the Eastern Freeway. It was always intended that the Scoresby freeway would continue from the Eastern Freeway. The opposition is delighted to note that in the past few weeks the government has commenced work on roadworks at the Mitcham intersection of the Eastern Freeway, notwithstanding that the government does not appear to have determined at this stage which of the four public options for the extension of the Eastern Freeway it will proceed with.

Subsequent government speakers might like to indicate what the fifth option for the Eastern Freeway is. Honourable members are told it is in the bottom drawer. I am sure the local community would be delighted to hear about that.

Hon. T. C. Theophanous — Your fifth option was tolls.

Hon. G. B. ASHMAN — There was never at any time any consideration of tolls on the Eastern Freeway. That was made very clear.

Hon. T. C. Theophanous — They did not tell you. You would be the last person they would tell.

Hon. G. B. ASHMAN — That was very clear. The same message was given to all of my colleagues and to the councils.

It is important when talking about the Scoresby freeway to consider for a moment the link from the proposed Scoresby freeway to the Eastern Freeway at Ringwood. One of the proposals before us for the Eastern Freeway extension is that the freeway come to Ringwood and then divert to East Ringwood, going on to the Maroondah Highway and Mount Dandenong Road. All of the previous government's plans included a link to the Maroondah Highway west of Ringwood, which would be the direct link to the new Scoresby freeway.

One thing that is absolutely essential to the commencement of work on the Eastern Freeway extension is that the government give an absolute commitment to completing not only the Eastern Freeway extension to the East Ringwood section of the Maroondah Highway but also the link to the western part of the Maroondah Highway. That would remove a significant volume of traffic from Richmond and Springvale roads. If that western link is not made, the current problems on Mitcham and Springvale roads will be compounded.

As I have indicated, the cost benefit of the project is significant. The government program appeared to be to scrap the Scoresby proposal, although I note a slight softening of that position in some contributions this morning. I hope the government is responding to community expectations.

The government's alternative to the Scoresby freeway is some minor upgrades to Stud and Springvale roads. That will not meet the increased traffic volumes. At the moment Stud Road has 20 sets of traffic signals between Bayswater and Dandenong. Springvale Road has 21 sets of traffic signals between the Eastern Freeway and the Monash Freeway. Even if those roads are upgraded, they will not cope with the anticipated increased volume of traffic and particularly the heavy transports that are seeking to use them.

Importantly, if the government does not proceed with the Scoresby freeway, the east and the south-east will start to lose manufacturing and transport and distribution companies to the west. That will add to the unemployment in the east and will cause significant

difficulties for families and other people who like to work and live in the east.

The government has inherited a significant surplus. The time has now come for it to make a decision to proceed with the freeway. It might be funded over three to five years, but the government should at least get on with the job. Opposition members would then be pleased to come back to the chamber and move a vote of thanks to the government.

Hon. R. F. SMITH (Chelsea) — I oppose the motion.

Hon. Andrew Brideson — You don't support the Scoresby freeway!

Hon. R. F. SMITH — The motion is an example of hypocrisy. It is designed specifically to gain some political advantage in the eastern suburbs and to embarrass Labor politicians representing that area. That is all the motion is about. We will not be embarrassed because the government does not oppose the Scoresby freeway. Members opposite need to understand that. They should write it down. They should write some notes, take them home and sleep on it.

The only issues regarding the Scoresby freeway are funding and timing. Even the opposition's leader in the other place, Dr Naphthine, acknowledges that federal funding is required for the Scoresby freeway to go ahead. That is our view, too.

The federal government ought to fund the project as a major highway and a road of importance. If that were done in conjunction with state government funding it would allow the project to go ahead, and there is significant support in the Labor Party for that to happen.

Hon. R. H. Bowden — What is the state going to do about it?

Hon. R. F. SMITH — Are your ears painted on? As I just said, funding will be gained from both the state and federal governments, if the federal government agrees. The Scoresby freeway will clearly be a significant advantage to the economy and to Victorians.

Opposition members interjecting.

Hon. R. F. SMITH — I agree with what the opposition is saying and I reiterate my support for the Scoresby freeway. There is a significant economic advantage for business and the general population in having a free-flowing road system, or ring-road, in the outer east. However, opposition members, particularly

Mr Craige, are hypocritical when they talk about what the previous government was gunna do — it was gunna do this and it was gunna do that. Perhaps Mr Craige should have been a gunner in the navy instead of a sick berth attendant — he would have been expert at it!

Hon. G. R. Craige — We know why you got out of the navy; I did my time.

Honourable members interjecting.

The ACTING PRESIDENT

(Hon. C. A. Strong) — Order! Can we please have a bit of order so Hansard can understand what is going on. Some honourable members have already spoken and those who have not will get a chance, so please give Mr Smith a chance to be heard in relative silence.

Hon. R. F. SMITH — Thank you, Mr Acting President; that would be a change.

An Honourable Member — And he has taken the call, too! Can *Hansard* show that he answered his phone in the middle of his speech.

Hon. G. B. Ashman — On a point of order, Mr Acting President, it was a disorderly interjection.

The ACTING PRESIDENT

(Hon. C. A. Strong) — Order! There is no point of order. Mr Smith, it would be helpful if your phone was turned off. Please continue.

Hon. G. R. Craige — That has padded it out a bit; you should have answered the call.

Hon. R. F. SMITH — I am not one to pad out debates. I like to cut to the chase, unlike honourable members opposite. The motion is not worth the paper it is printed on. It will not be supported.

Hon. B. C. BOARDMAN (Chelsea) — I have sat in the chamber since 10.00 a.m. listening to contributions from opposition members, who put forward practical, reasonable, committed and succinct arguments in favour of the Scoresby freeway. They outlined the history of the project and referred to the planning and processes which have already commenced and which are continuing to be developed to deal with a vital transport link for the eastern suburbs.

However, at precisely 6 minutes past midday my colleague and fellow honourable member for Chelsea Province, the Honourable Bob Smith, got to his feet. The area Mr Smith and I represent contains the growth corridor and includes the Chelsea Heights, Aspendale Gardens, Carrum Downs and Seaford areas. The area

includes the growing industrial areas of Carrum Downs and Frankston and the areas around Keysborough and Springvale, all of which are at the centre of the great social, economic and manufacturing focus on the south-east. It is a vital part of the Melbourne metropolitan area that generates an incredible amount of economic activity and has the potential to attract further industrial development and financial resources given the implementation of definitive and responsive planning processes. Yet in a contribution lasting 6 minutes — including interjections and a phone call that he irresponsibly answered — Mr Smith did not give one supporting argument for — —

Hon. R. F. Smith — On a point of order, Mr Acting President, I did not answer the phone. I switched it off. I take umbrage at Mr Boardman's suggestion that I did otherwise.

Hon. Bill Forwood — On the point of order, Mr Acting President, if the honourable member wishes to make a personal explanation for his behaviour in the house that is entirely appropriate and up to him. However, he should not use the forms of this house incorrectly to make points of order when they do not exist.

The ACTING PRESIDENT
(**Hon. C. A. Strong**) — Order! There is no point of order. However, the Chair notes the fact that Mr Smith's phone went off during the debate and that he subsequently turned the phone off. Continue please, Mr Boardman.

Hon. B. C. BOARDMAN — Thank you, Mr Acting President. How incredibly precious of Mr Smith. He was given an opportunity to support a vital transport link that would have incredible and demonstrable benefits for his electorate, yet he neglected his duties as an honourable member for Chelsea Province. He raised an inane and irrelevant point of order and demonstrated that he is a completely incompetent local member of Parliament.

The motion deals with one specific topic — that is, the Scoresby transport corridor. It is an issue that for various reasons the government — I fail to comprehend why it decided to neglect it — has not spoken in favour of directly. I have heard motherhood statements, rhetoric and all sorts of insinuations that the government supports the project. In fact, the exact words used by Mr Jennings, not once but twice, were, 'The option is alive'. If it is alive does that not raise the question of what the government is doing about it? The legwork has been done, the planning has been done, the processes required prior to building the road have been

implemented, and the requirement for the land has been forecast for 30 years. The project is ready to be built.

Hon. R. F. Smith — Why did you not fund it?

Hon. B. C. BOARDMAN — I take up the interjection from Mr Smith. The answer is simply that a project cannot be funded unless the preparation has been done. If Mr Smith went through the budget estimates he would see that the previous government had allocated a considerable amount from — —

Hon. R. F. Smith interjected.

The ACTING PRESIDENT
(**Hon. C. A. Strong**) — Order! Mr Smith has had his 6 minutes and should let Mr Boardman continue in relative silence.

Hon. R. F. Smith — He is provoking me.

The ACTING PRESIDENT
(**Hon. C. A. Strong**) — Order! I ask Mr Smith to let Mr Boardman continue.

Hon. B. C. BOARDMAN — What a wonderful defence mechanism from Mr Smith. Having relinquished his opportunity to make a succinct and profound statement about his support of the proposal and realising he has been made a complete fool of he is now trying to overcome his lack of personal ability by attempting to disrupt my speech.

I return to the point raised by not only Mr Smith but also some of his colleagues about why the previous government did not fund the project. I make the point that the project is ongoing. There had to be a preparation stage and a consulting stage, and environmental effects and feasibility studies were necessary to identify the benefits and potential of the overall project. That is exactly what occurred. It occurred, firstly, when my colleague and friend Bill Baxter was Minister for Roads and Ports, and subsequently when his successor, my colleague and friend Geoff Craige, was Minister for Roads and Ports — two of the best and most successful roads ministers the state has ever seen. They had the vision, enthusiasm and dedication to ensure that Melbourne and Victoria had an adequate and appropriate transport policy that was in the best interests of domestic and commercial road users.

For this government to shirk its responsibilities and again make the motherhood statement that it supports the program is completely irresponsible. That shows it is not in touch with what the community wants. Not only do the domestic and commercial communities

want the project to go ahead, even Labor-dominated municipal councils want it.

Mr Smith has just left the chamber because he is not remotely interested either in the issue or in listening to my contribution in the interests of our constituents in Chelsea Province. Even his own electorate officer, Cr Mark Conroy, the current mayor of Frankston, who is also a member of the Australian Labor Party, has been appointed by the Frankston City Council to be its spokesperson on the Scoresby issue because the council is determined to see the project succeed. Despite that Mr Smith, who apparently has some influence over Cr Conroy, is not in the chamber to hear my comments and offer a view on them. That suggests either that things are not right in Mr Smith's office or that there is a lack of communication and professionalism in the government.

The situation is clear: the project is ready to be built. The opposition requests as a matter of priority that funds be made available in the 2000–01 budget. It is not looking for the total \$800 million. I am not sure what economic analyses the government has conducted on the issue. It has made all sorts of insinuations and suggestions that it has carried out some work, yet no evidence has been forthcoming. It told the house it has corresponded with the federal minister and the federal government on the issue, yet it cannot produce any letter, correspondence or firm evidence to give weight to its claim.

The opposition suggests that in the 2000–01 budget to be released next month the government should make some funds available to show its commitment to the Scoresby transport corridor. It is absurd to think that the project will be built overnight. It will be a five-year construction project that will cost \$800 million. If it were funded fifty-fifty by the federal and state governments the cost over five years would be roughly \$80 million to \$90 million a year, an amount that would be well and truly available through the budget.

The opposition wants the government to demonstrate that it is committed to the project and to the future economic viability of the south-eastern and eastern suburbs of Melbourne, and to show some leadership and progressive planning in transport policy by earmarking funds to enable this vital transport infrastructure link project to commence. One of the first things the government did when it came to office was to say the project was axed. The 1 November 1999 issue of the Dandenong *Journal*, a Fairfax community newspaper, carries the front-page headline 'Freeway axed'. So important is the project to the eastern and south-eastern suburbs that all the community

newspapers in the area carried that headline on their front pages.

The article in the *Journal* states:

The state government has announced it will not build the Scoresby freeway but will instead upgrade Stud Road, the main north–south link between Dandenong and Ringwood.

That is absolutely fantastic. I would like to know how the Honourable Bob Smith believes the upgrading of Stud Road will benefit the people we both represent. How will it provide an extra job, ease traffic congestion or assist industries in the industrial areas of Carrum Downs and Frankston? It will not and it cannot. It is not a viable or practical alternative. It will not do anything. It will not alleviate traffic congestion in the south-east or assist the distribution or transport links in that area. It is a throwaway line.

The government will not fund the construction of the Scoresby freeway because it was not an election promise. The government should be attuned to the mood of the people in that area. The only opposition to the project comes from the members of the government. The councils, the public, industry groups and local industries are all supportive. Not one group or individual does not recognise the potential of the project.

The *Hansard* record of debate in the other place on 3 November 1999 reports the Minister for Transport as follows:

The opposition now has the audacity to come into the house and suggest that the new government, which did not make a funding commitment to the freeway in its election promises, should proceed to fund it.

The Minister for Transport used the word 'audacity' to describe the opposition's approach, but the opposition is representing the community and is taking up its views, as it should. It wants to ensure that the government's policies are responsive to the needs of the community. The opposition's approach has nothing to do with arrogance or audacity but is about acting in the best interests of the people who live in the south-east of Melbourne.

I urge the government to change its policy. It should realise the benefits and endless opportunities the project will provide for the south-east. The Scoresby freeway link would be 38 kilometres in length. It would extend through most of the south-eastern suburbs of Melbourne and link the centres of Ringwood, Dandenong and Frankston, which are undisputed growth corridors for both residential and commercial

developments. The potential to create greater economic activity is unlimited.

The Honourable Bob Smith abused the privileges of the house by making inane arguments. The electorate I represent includes within its boundaries businesses such as Roma Food Products, which has won countless export awards for the pasta products it exports to many countries in Europe. The potential of Roma's business would increase if it had access to a better transport system so it could more easily get its products to ports. Australian Arrow Pty Ltd, an automotive electrical engineering firm that produces most of the auto-electrical equipment for Toyota in Australia and in many other parts of the world, and Ingersoll-Rand (Australia) Ltd, which is a compressor operation, are further examples of businesses that support the construction of the Scoresby freeway because they understand the benefits that will flow to them. The freeway would help them to grow their businesses, and ultimately that would mean more jobs.

The project is about creating more jobs. Since the construction of the Western Ring Road, and only because of its construction as part of the targeted export policy, 20 000 new jobs have been created. The figures cannot be disputed. The south-eastern region already has a substantial industrial base and south-eastern suburbs have a ready labour market, with excellent education institutions and people with the skills necessary to develop the area further. The government should think of the potential developments that could result if the freeway were built.

Unfortunately, as with many other things, the government is shirking its responsibilities. It is not interested in responsive policies that will benefit all Victorians. It is a government of committees and ministerial reviews, and for some reason the construction of the Scoresby freeway is not one of its priorities. I reiterate that the legwork has already been done. The government does not need to conduct reviews or investigations or consult further, because all the work has been done.

I should canvass a number of other issues of importance. I refer briefly to the contribution of the federal government, which has not been mentioned so far. I refer honourable members to the Eastern Ring Road Steering Committee, which comprises representatives of the City of Greater Dandenong, the City of Kingston, the City of Knox, the City of Frankston, the City of Maroondah, the City of Monash, the Shire of Mornington Peninsula and the City of Whitehorse, as well as representatives of Business East and the Western Port Development Corporation, two

main industry groups that represent their respective areas.

On 1 May 1998 a press release and a letter to the then Minister for Roads and Ports, Mr Craige, referred to the federal Minister for Transport, Mr Mark Vaile, coming to Melbourne to undertake an extensive aerial survey of the site with Mr Craige. The comment from Minister Vaile was that he was amazed and surprised at the level of industrial development in the area. He instantly saw the benefits of developing the corridor and stated that the project was appropriate for listing in the roads of national importance category.

I do not think one can get a clearer message than that. The federal Minister for Transport earmarked the project as a road of national importance saying he saw how beneficial it would be. He realised that the project is not only necessary but should be commenced urgently. At the completion of the preliminaries he was prepared to ensure that the federal government had the matter listed as a priority for funding.

The state government has suggested today, by some means, that correspondence or communication has taken place between the state government and the federal minister. I would love to see the correspondence.

Hon. G. D. Romanes — On a point of order, Mr Acting President, the Honourable Cameron Boardman has referred to a letter or communication between the Bracks government and the federal government, and such correspondence has not been mentioned by anyone from the government side this morning.

Hon. B. C. BOARDMAN — On the point of order, Mr Acting President, I have certainly referred to correspondence. Not only the Honourable Glenyys Romanes but also the Honourable Gavin Jennings suggested that some correspondence or communication had taken place between the Bracks government and the federal government. I am merely reiterating that point and suggesting that if that has taken place, and government members have made it quite clear, the opposition asks only for evidence of it.

The ACTING PRESIDENT
(**Hon. C. A. Strong**) — Order! There is no point of order. It is essentially a debating point which honourable members had a chance to bring out in debate. The honourable member, completing his contribution.

Hon. B. C. BOARDMAN — The point of order surprised me because I merely asked for some

clarification or evidence on the issue. It is a debating point, and if government members are now going back on the suggestions they made earlier the opposition will have to pursue the issue. Quite clearly there were suggestions that some correspondence or communication had taken place. That is all opposition members want to know. We would like to know what it was and whether it is still on the agenda. If it is still alive, as Mr Jennings suggests, we ask to be provided with the evidence.

Let us go out into our communities and say that the government is proactive, responsive and in touch with the social and economic needs of the south-east and eastern parts of the metropolitan area. The project will benefit not only the eastern area of Melbourne but all Victoria, because the possibilities are endless. That is the federal government's commitment.

A number of other issues have been raised in discussing the environment effects statements, greenhouse gas emissions and other environmental issues such as aesthetics and noise-related issues, with all of which there has been a degree of commonsense and professionalism in the approach taken to address any public concerns. The proposal went on public display for a considerable time in 1998. It was a roving display in the areas in the Scoresby corridor — from Ringwood in the north to Frankston in the south and everywhere in between. The public had an opportunity to view the proposals and make submissions on them. An extensive amount of consultation took place, all of which confirmed the public's support for the project.

Hon. G. D. Romanes — Not all.

Hon. B. C. BOARDMAN — All. If there is any evidence to suggest that that is not the case, the opposition will welcome it.

Mr Acting President, there is so much more I could say in the debate, but the issue is really quite simple: by not supporting the motion government members are shirking their responsibility as a government. They are letting down the people of the south-eastern and eastern suburbs of Melbourne. Government members are letting down all Victorians. This vital part of the transport policy must be implemented at the earliest possible opportunity. The preparation and planning has been done, and the project is ready to go. I urge honourable members not only to support the motion, but to go out and enthusiastically and vigorously support it in the public arena.

Hon. N. B. LUCAS (Eumemmerring) — I support the motion, which is a statement encouraging the

government to put its money where its mouth is. If the government wishes to increase the economic viability of the state, the Scoresby freeway is an infrastructure item that will certainly add great impetus to the economy.

The debate today has been a good example of the lack of commitment of the government to addressing a significant issue within the Melbourne metropolis. The failure of the three government speakers to address the issue is extremely disturbing. Today we have heard from the Honourable Gavin Jennings, who referred to the financial aspects of the project. As I understand it, the basis of his argument was to say, 'Well, we can't afford it. It is too late to put it in the budget. It would be an \$8 toll if it were a tollway'. He suggested that the opposition's motion is out of line.

The comments made by the Honourable Gavin Jennings are another example of a government not being willing to address the issue. Mr Jennings tried to sideline the argument to a matter of budget possibility or otherwise. Following the change in government as a result of the September election, the new government come into power and had a look at the funds available to Victoria. Given that the Kennett government left the state in the best financial shape it had been in for years, how can the Honourable Gavin Jennings now say there are no funds available in the budget to start work on the project, which will take a number of years to construct?

The Honourable Glenyys Romanes did not read a poem in her contribution, but she did give the impression that the government is bereft of transport policy, in particular, policy which provides for the people in the east. The Honourable Glenyys Romanes quoted the policy of the former government when it went to the election late last year. She read the former government's statement that up to the year 2010, if re-elected, it would work to provide the freeway project with matching funding from the commonwealth government. That is evidence that the now opposition was in support of the project. Why else would it have gone to the federal government to seek matching funding for the freeway?

The Honourable Glenyys Romanes went on to say that there is a need for an outer eastern transport study to look at the issue. The project has been looked at for many years; we have heard honourable members refer to the fact that the proposed freeway has been on the drawing board for approximately 30 years. I have a document that outlines the assessment of environmental effects of the development of the Scoresby transport corridor. The work has been done; the road is ready to go.

Given that it is so important in my electorate, I raised the issue of the construction of the freeway during the adjournment debate in this place on 4 November 1999. I later received a letter from the Minister for Transport in the other place stating:

Construction of the Scoresby freeway will not occur during the next four years ...

An article on page 13 of the *Berwick News* of 4 November 1999 quoted the discredited honourable member for Dandenong, John Pandazopoulos, as having said:

We would rather be up front and say the road will not go ahead ...

That is not good news for the eastern suburbs of Melbourne. The government will be interested to discover that all local councils covering any part of the proposed freeway support its construction. They include the councils of the cities of Greater Dandenong, Kingston, Knox, Frankston, Maroondah, Monash and Whitehorse, and the Shire of Mornington Peninsula. In addition, Business East and the Western Port Development Corporation representing business interests from the Mornington Peninsula through to the Whitehorse council's area support its construction.

An article on page 3 of the *Dandenong Journal* of 10 April 2000 states:

Casey council has thrown its support behind the push for the construction of the proposed Scoresby freeway.

The article states that the council has nominated one of its councillors to be:

... a member of a steering committee and advocate for the construction of the freeway.

All councils representing the population of the area want the road constructed because they are aware of the enormous economic boost to western metropolitan areas as a result of the Western Ring Road, which has now been completed for a number of years. That is great because it is important that Victoria have a strong economy in Melbourne's western suburbs. All government members of this house, except for the Honourable Bob Smith, come from the western suburbs. It is improper for the government to pursue a policy that will provide an economic boost for one side of the metropolitan area but completely misses out the eastern suburbs. Is that a bias in government policy, a result of wanting to keep jobs in the west and putting those living in the east out of work?

Government members interjecting.

Hon. C. A. Furletti — On a point of order, Mr Acting President, I do not mind the Honourable Sang Nguyen interjecting, but he is out of his seat.

The ACTING PRESIDENT
(**Hon. C. A. Strong**) — Order! There is no point of order, but I remind the Honourable Sang Nguyen about interjecting when he is out of his place.

Hon. N. B. LUCAS — An article in the *Age* of 5 August 1996 states:

Choked roads are costing the capital cities more than \$5 billion a year — \$1.8 billion in Melbourne ...

The government is trying to force a similar situation onto my constituents. On any morning, Stud and Springvale roads, the north-south links between eastern suburban communities, are choked with traffic.

The report on the eastern ring-road jointly commissioned by the councils that I referred to earlier states:

If construction of the eastern ring-road does not commence by 2001:

- vehicle trip lengths will increase by 6 per cent
- trip times will increase by 19 per cent
- vehicle speeds will fall by 8 per cent
- vehicle operating costs will increase by 45 per cent
- greenhouse emissions will increase 46 per cent
- user costs will increase 45 per cent
- greater intrusion of through traffic onto local roads.

That is the situation that the government, through its inaction on the matter, is forcing upon the eastern suburbs.

Hon. G. D. Romanes interjected.

Hon. N. B. LUCAS — Ms Romanes says it was our inaction, but now that you are in government, Ms Romanes, it is your responsibility to do something about it. The community wants an answer.

I refer to an article in the *Dandenong Journal* of 12 August 1996 headed 'Cathie blasts study'. He was one of yours, Ms Romanes! It states:

The chief commissioner of the City of Greater Dandenong, Mr Ian Cathie, has branded a study into a freeway linking Dandenong with Frankston and Ringwood a high-speed public transport network and higher density housing as a 'waste of money'.

...

The study, to cost between \$1 million and \$2 million ...

I do not know that it cost that much. The article further states:

Mr Cathie said the studies had already been done and that land had been reserved since 1962 for the proposed and overdue Scoresby freeway which would link Ringwood and Frankston via Dandenong.

He said the north–south road links ... were inadequate and already heavily congested ...

It is time for the government to act.

An article in the *Dandenong Journal* of 22 July 1996 under the heading 'Scoresby freeway plan goes downhill' quotes Mr Cathie, representing Greater Dandenong City Council, as having said:

The RACV traffic report released recently shows that our three major north–south links are badly congested.

In another five years —

that is, next year —

there will be constant traffic jams. That is going to increase the cost of transport for Dandenong-based industry and hold up commuters.

Its demotion will delay the project considerably.

All the studies have been done and honourable members know from newspaper reports what has happened in the west.

An article in the *Herald Sun* of 22 November last under the heading 'Investment signals new dawn for west' and the subheading 'Setting a hot pace in home prices' quotes Wakelin and Wakelin property consultant, Monique Wakelin, as having said:

Over the past decade we have certainly seen a revitalisation of the western suburbs property market.

The article further states:

Ms Wakelin said the Western Ring Road, City Link and other infrastructure improvements over the past five years had opened up the west.

I ask the government to open up the east. It is time Victorians had the freeway constructed. Those responsible for providing the funds for the project should get their acts together.

The planning process was completed in about July 1999 with the environmental effects statement dated July 1999. Within that document are specific details, which have been quoted in a number of recent speeches in this place, of the benefits to be derived from the completion of the project.

A report of the assessment of environmental effects on the Scoresby transport corridor by the former government quoted a net present value of \$1916.6 million as at June 1999 and a cost-benefit ratio of 5.2. The document reported that the number of accidents that would be saved over the analysis period, covering the years to 2021, would be represented by 61 fatalities, 1154 serious injury accidents, and 3062 other injury accidents. In terms of vehicle emissions, the saving would be the equivalent of 3.233 million tonnes of carbon dioxide over that time.

The evidence is quite clear. It shows that in order to improve the environment, ease traffic congestion and get the traffic moving on that road, and provide economic benefit to the community, we need the road that has been planned.

It is up to the government to respond to the request, which is made not just by four or five members speaking today but by all upper house members on the local and national side of politics who represent hundreds of thousands of people whose hopes and aspirations will be affected by this road. Only one Labor member who represents any part of the area concerned has spoken in the debate today. The Honourable Bob Smith spoke for 6 minutes. He did not say anything in support of the road; he did not make any commitment on behalf of the government; and he did not give his constituents any hope for the future of north–south transportation links between Frankston and Ringwood.

Another important aspect is the effect of the road on rural and regional Victoria. When people who live in Gippsland, for example, visit the city they find it very difficult to get where they want to go. They end up on Springvale Road or Stud Road and nothing moves there — I know, I drive along those roads. The government should recognise the concern being expressed by honourable members today. The Honourables Geoff Craige, Ron Bowden, Gerald Ashman and Cameron Boardman have put forward strong reasons for constructing the Scoresby freeway.

On the other side of the argument, there has been no satisfactory answer from the government. The minister who represents the Minister for Transport in this place has not appeared in the chamber. Let Hansard record the fact that the minister responsible for this area has not spoken on the issue today and has not been present during the debate. Let Hansard record that there has been no interest from the government in this issue. Let Hansard record that hardly any members of the government have been present during the debate. And, importantly, let Hansard record that during this debate

the government has not come up with a satisfactory answer. It has certainly not come up with an answer to satisfy the residents of the electorates to the east of Melbourne.

Many opposition members would have liked the opportunity to speak in this debate because there is a great deal of support for and concern about the issue. The Honourable Wendy Smith, who represents the area around Ringwood, is just as concerned as I am; and the Honourable Ken Smith would also be just as concerned. Those two honourable members represent electorates at both ends of the roadway. I suppose I am the lucky one because I have been able to make a contribution to the debate.

My concern is that, having said what we have said, the government has given no satisfactory response. The government stands condemned on this issue. It has not come up with a satisfactory answer. The Minister for Transport would have known this motion was due to be debated today, but he has not been able to provide anything to government speakers in this place that would satisfy my constituents or the constituents of other speakers. I strongly urge the house to support the motion.

House divided on motion:

Ayes, 27

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

Noes, 13

Carbines, Mrs	Mikakos, Ms
Darveniza, Ms (<i>Teller</i>)	Nguyen, Mr
Gould, Ms	Romanes, Ms
Hadden, Ms	Smith, Mr R. F. (<i>Teller</i>)
Jennings, Mr	Theophanous, Mr
McQuilten, Mr	Thomson, Ms
Madden, Mr	

Pair

Olexander, Mr	Broad, Ms
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Motion agreed to.

Sitting suspended 1.02 p.m. until 2.03 p.m.

QUESTIONS WITHOUT NOTICE

Industrial relations: task force

Hon. M. A. BIRRELL (East Yarra) — I refer the Minister for Industrial Relations to the industrial relations task force announced earlier today — —

Hon. M. M. Gould — I haven't announced it yet.

Hon. M. A. BIRRELL — The press release is out. I take it that is an announcement. I would have thought issuing a press release was an indication of its not being a secret any longer. Anyway, we will treat as a secret that earlier today the government announced the appointment of an industrial relations task force to review the Victorian industrial relations situation. Given that the majority of task force members announced by the minister are already on the public record as opposing the federal Workplace Relations Act and given that the so-called independent chairman of the task force has previously delivered pro-union reports for the Queensland and New South Wales Labor governments, will the minister concede that the task force is a sham and is designed simply to give the Labor government the message it wants to hear?

Hon. M. M. GOULD (Minister for Industrial Relations) — No, it is not. The composition of the task force is balanced. It consists of representatives of employers, unions and the community and is chaired by an eminent academic in industrial relations.

Industrial relations: task force

Hon. KAYE DARVENIZA (Melbourne West) — Following on from the question of the Leader of the Opposition, I ask the Minister for Industrial Relations to inform the house of plans to establish an independent task force to consider Victoria's industrial relations framework.

Hon. M. M. GOULD (Minister for Industrial Relations) — I am pleased to advise the house of the establishment of a task force, which is a landmark opportunity to — —

Hon. T. C. Theophanous interjected.

The PRESIDENT — Order! Mr Theophanous is not helping. Ms Gould is his leader.

Hon. M. M. GOULD — It is a landmark opportunity to help shape future industrial relations arrangements in Victoria. The task force will make recommendations to the government on how the industrial relations system might be framed to enable all

Victorians to share in state growth. As honourable members will be aware, the setting up of the task force implements a key recommendation of the Growing Victoria Together summit.

The Leader of the Opposition implied yesterday that the task force would be stacked with union representatives. That is not the case. The task force will be chaired by the eminent industrial relations lawyer, practitioner and academic, Professor Ron McCullum. Members include Peter Nolan, the workplace relations manager of the Australian Industry Group, one of the largest employer organisations in the state; Nicole Feely, Chief Executive Office of the Victorian Employers Chamber of Commerce and Industry — and I am sure honourable members opposite support that — and two employer representatives.

Honourable members interjecting.

The PRESIDENT — Order! I suggest that all honourable members keep quiet and allow the Leader of the Government to respond to the question.

Hon. M. M. GOULD — The two union representatives are Leigh Hubbard, Secretary of the Victorian Trades Hall Council, and Mr Michael Donovan, Secretary of the Shop Distributive and Allied Employees Association. The community representative is George Lekakis of the Ethnic Communities Council of Victoria.

The appointment of the task force is in direct contrast to what the coalition did when it abandoned award conditions in 1992 without any consultation with the community. The task force will consult with the community in line with its terms of reference. The community and stakeholders will be invited to make submissions to the task force on the effectiveness and the appropriateness of the current system. That will involve consideration of issues such as the social and economic effects arising from the abolition of the state system in 1992, the nature and extent of disadvantage incurred by Victorian employees under schedule 1A of the Workplace Relations Act and the mechanisms to protect outworkers.

The task force will prepare an issues paper for release within the next couple of weeks and will call for submissions from the public. I invite the opposition to put in a submission to the task force. That process will be followed by the calling of submissions and consultation in the regional areas of Victoria. The report will be finalised by 31 July.

Inland ports: Bendigo

Hon. G. R. CRAIGE (Central Highlands) — Is it a fact that the Minister for Ports consistently favours Echuca over Bendigo as the site for the much-publicised inland port?

Hon. C. C. BROAD (Minister for Ports) — In response to Mr Craige's question and his consistent interest in the important development of inland ports, which I welcome, the answer is no.

GST: hot cross buns

Hon. G. D. ROMANES (Melbourne) — Will the Minister for Consumer Affairs advise the house how consumers will determine whether the goods and services tax is payable on hot cross buns and other sticky buns?

The PRESIDENT — Order! I have raised with members before the question of federal issues impinging on state issues. Because the honourable member is the Minister for Consumer Affairs it does not give her a statutory right to comment in relation to every issue and every taxation issue; otherwise the house would have no time limit. I again encourage the minister when handing out questions to keep that in mind.

Hon. M. R. THOMSON (Minister for Consumer Affairs) — The department is expecting an influx of inquiries about the goods and services tax (GST) on products and whether a fair and reasonable price is being charged. The department intends monitoring and compiling the inquiries to send in a completed form to the Australian Competition and Consumer Commission for follow up. The ACCC attended a meeting of departmental officers of fair trading from around the country that spoke about how best to deal with GST issues that arise. There is much confusion among consumers and those who run bakeries about what will and will not have a GST. I have an example here of two hot cross buns.

The PRESIDENT — Order! I believe the minister has said enough. I call the next question.

Honourable members interjecting.

The PRESIDENT — Order! There is another forum if honourable members wish to discuss federal issues. This is a house for state government administration. I ask the Leader of the National Party to ask his question.

Port Phillip Bay: radar system

Hon. R. M. HALLAM (Western) — Given the obvious ramifications in respect of vessel safety in Port Phillip Bay, will the Minister for Ports immediately direct the Victorian Channels Authority to provide the Port Phillip sea pilots with access to the authority's new state-of-the-art radar system?

Hon. C. C. BROAD (Minister for Ports) — I shall take up the matter with the Victorian Channels Authority. It is not an issue which either the sea pilots or the authority have raised with me.

Olympic Games: training

Hon. E. C. CARBINES (Geelong) — Will the Minister for Sport and Recreation inform the house of any progress being made in attracting international Olympic teams to train in Melbourne prior to the Sydney Olympic Games?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — As a result of the work of Sport and Recreation Victoria the Italian swimming, synchronised swimming and diving teams have announced that they will be establishing pre-Olympic training camps in Melbourne during August and September 2000.

The training camps will involve a total of 44 highly ranked Italian athletes and accompanying officials. The Italian's decision to base their training camps in Melbourne is testimony to Victoria's outstanding array of sporting facilities and services. During the next few weeks a memorandum of understanding will be signed. I look forward to making an announcement regarding specific training venues and whether there will be opportunities for the public to view training sessions. Discussions are taking place with the management of the Melbourne Sports and Aquatic Centre and the national and international teams to showcase pre-Olympic training at public training sessions.

Snowy River

Hon. PHILIP DAVIS (Gippsland) — Will the Minister for Energy and Resources confirm that Victoria will contribute no more than its 25 per cent share of water savings to environmental flows for the Snowy River?

Hon. C. C. BROAD (Minister for Energy and Resources) — The matter is the subject of negotiations between Victoria, New South Wales and the commonwealth. Twenty-five per cent of water savings is what Victoria should contribute to meet the government's election commitment to achieve a 28 per

cent environmental flow for the Snowy River. However, the final figure will be determined by those negotiations. I shall not put a minimum or maximum amount on that figure.

Gas: Bass Strait platforms

Hon. T. C. THEOPHANOUS (Jika Jika) — The question I direct to the Minister for Energy and Resources arises out of concern by many about the loss of life at the gas fire at Longford. Will the minister inform the house what action her department has taken to address a recent occupational health and safety incident involving offshore operations in Bass Strait? Can she advise the house on the status of Victoria's gas supply as a result of that incident?

Hon. C. C. BROAD (Minister for Energy and Resources) — On Monday last an unfortunate incident occurred on the Mackerel platform in offshore Gippsland which resulted in a worker falling from the platform approximately 45 metres to the sea, breaking his ankle and injuring his back. He is fortunate to not have suffered worse injuries as a result of the fall.

Initial investigation of the incident by regulatory staff in the department indicates that the worker fell after working on top of an escape capsule on that platform as a result of a cable securing that capsule coming free. A prohibition notice was issued yesterday requiring the shutdown of several offshore facilities that have the same equipment that was involved in the incident. The escape capsules are vital to ensuring the safe evacuation of workers. Given their importance, eight platforms that could not demonstrate adequate testing of their equipment were shut down.

I have received advice from Vencorp, which has been briefed directly by department officers and is liaising directly on the matter. I am informed there are no gas supply shortfall issues as two major producing gas platforms, Barracouta and Marlin, remain operational and will comfortably meet forecast gas demand. I am also advised that one of the platforms which was shutdown and which supplies gas is expected to be operating later today.

The actions undertaken reinforce the paramount importance the government places on worker safety and secure gas supply.

Employment Advocate: report

Hon. B. C. BOARDMAN (Chelsea) — I refer the Minister for Industrial Relations to the state government-commissioned report on Australian workplace agreements in the Victorian public sector.

Given that the report is held by the minister's department, will the minister release it?

Hon. M. M. GOULD (Minister for Industrial Relations) — I have already answered the question. I have not sighted the document the honourable member refers to. No copy has been located in my office. As I have already indicated to the honourable member, I have not sighted that document. It is not in my office.

Hon. Bill Forwood — On a point of order, Mr President, the issue is not what is in or not in the minister's office but what is in the minister's department. The question is quite specific. It is about what is in the minister's department. I ask you to ask the minister to answer the question.

Hon. M. M. GOULD — As I have indicated, I do not have the document. It is not in my department, and I have not given any directions to refuse its release.

Netball Victoria

Hon. JENNY MIKAKOS (Jika Jika) — Will the Minister for Sport and Recreation inform the house what action his department has taken to fulfil Labor's commitment to improving opportunities for the playing of netball in Victoria?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — Honourable members may not be aware that netball is the ninth most popular activity nationally. According to the Australian Bureau of Statistics 143 000 Victorians above the age of 18 years are involved in netball. Netball Victoria has 108 900 members, or 11 per cent of Victoria's organised sport participants.

I am pleased to announce today \$420 000 in funding for Netball Victoria. Some \$60 000 will be available this financial year, followed by \$120 000 per year for the following three financial years.

This year's money will be used for three key initiatives. The first is programs addressing development of officials and risk management, including a country umpire academy and a country coach development program. The second is a school sports development program, worth \$11 000. That funding is from the \$60 000 allocated this year. The third initiative is a small grants program to promising young netballers, worth \$8000 this financial year. Those initiatives reaffirm the government's commitment to participation and grassroots sports involvement.

LOCAL GOVERNMENT (GOVERNANCE) BILL

Second reading

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

That this bill be now read a second time.

This bill continues the local government reforms already introduced by the Bracks government with best-value Victoria. It implements the Labor government's commitment to give councils greater autonomy in the appointment of their chief executive officers (CEOs).

Appointment of chief executive officers

The proposed bill removes the requirement on councils to advertise the CEO's position before reappointing. Instead it gives the choice to councils. It enables a council to determine whether or not to advertise the CEO's position prior to reappointing a CEO.

It removes the provisions introduced by the former Kennett government which prevent a council from reappointing the incumbent CEO without advertising, even if the council is extremely satisfied with the CEO's performance. This current requirement has been widely criticised in the local government sector as overprescriptive, unnecessary and costly.

The amendments proposed in this bill ensure that where a council decides to reappoint the CEO because of the CEO's outstanding performance, the council will no longer be required to undertake a lengthy and expensive advertising and recruitment process.

These amendments will be of particular assistance to small rural councils. It is often difficult to attract CEOs to rural areas. Consequently the field of applicants for a CEO's position in a rural council may often be small. Such councils will no longer be required to undertake an expensive recruitment process, if there is likely to be a very small number of applicants.

Naturally a council will advertise if they want a new CEO, or to test who is available. This bill does not remove the ability of a council to test the market. In many cases a council may decide that there is a benefit in advertising the CEO's position. The amendments proposed in this bill simply give greater autonomy to councils. It gives the choice to councils to determine if it is desirable to advertise the position.

In addition, this bill prevents a council from resolving to reappoint a CEO more than six months prior to the

expiry of the term of the CEO's contract. This ensures that councils do not resolve to reappoint the incumbent CEO an excessive period prior to the expiry of the contract.

This bill makes several other amendments to ensure that where a council does not advertise the CEO's position, the reappointment process is open and transparent. The proposed bill requires a council to give public notice of its intention to put a resolution to reappoint the incumbent CEO. This will ensure that the public is made aware of a council's intention to reappoint a CEO. In addition, if a council passes a resolution to reappoint a CEO without advertising, the proposed remuneration package of the CEO will be available for public inspection. This is consistent with current provisions which require a council to make available for public inspection the CEO's gross salary, the amount of the council or employer contribution to superannuation and the value of any motor vehicle provided by the council. These requirements accord with the best-value approach of open and accountable local government, reporting to its community.

The bill also removes the requirement on councils to give the minister notice of any resolution that relates to the remuneration or termination of the employment of the council's CEO. This removes further unnecessary state involvement in the CEO appointment process.

Miscellaneous amendments

The proposed bill also makes minor housekeeping amendments to the Local Government Act. It corrects the incorrect application of certain provisions in the act to regional library corporations. It amends an oversight in the act so as to make the maximum interest payable for unpaid amounts other than rates and charges consistent with the interest payable for unpaid rates and charges. A minor amendment is also proposed to the Libraries Act to clarify the power to prescribe a certain form relating to a request concerning the transfer of former library land.

I now turn to the provisions of the bill.

Clause 1 outlines the purpose of the bill. That is to amend the Local Government Act to make changes concerning the reappointment of CEOs under the act. The proposed bill also makes minor amendments to the Local Government Act and the Libraries Act.

Clause 2 provides for the bill to come into operation on the day after it receives the royal assent.

Clause 3 makes amendments to the provisions relating to the reappointment of chief executive officers. It

enables a council to resolve to reappoint their incumbent CEO, in the six months prior to the contract's expiry, without advertising the position.

Where a council resolves to reappoint the incumbent without advertising, this clause also requires a council to give public notice of its intention to put the resolution. This public notice must be given at least 14 days before the resolution is passed. The public notice must outline that the passing of the resolution would result in the reappointment of the CEO without advertising, and any other details required by regulations.

This clause also provides that where a council appoints a person to act as its CEO for a period of not more than 12 months, it is not required to advertise the position. In addition, where a council passes a resolution to reappoint a CEO without advertising, it is required to make details of the CEO's proposed total remuneration available for public inspection. This must be made available within 14 days of passing a resolution to reappoint a CEO without advertising.

Clause 3 also repeals the requirement that councils give the Minister for Local Government reasonable notice of their intention to put a resolution that relates to the total remuneration or the termination of the employment of the council's chief executive officer.

Clause 4 is included to ensure that purported acts of a CEO or senior officer are not invalid merely because the person's contract was void at the time the thing was done.

Clause 5 corrects the provisions which are applied to a regional library. It removes irrelevant sections which do not apply to regional libraries and adds relevant sections which should be applied to regional libraries.

Clause 6 changes the method of setting the maximum interest rate on unpaid money other than rates and charges. It provides that the maximum interest rate is the rate fixed under section 2 of the Penalty Interest Rates Act 1983. This accords with the interest charged by council on unpaid rates and charges, which is calculated at the rate fixed under section 2 of the Penalty Interest Rates Act 1983.

Clause 7 amends the Libraries Act 1988 so as to clarify that there is a head of power to prescribe the details which must be included in a request concerning the transfer of former library land.

I commend the bill to the house.

Debate adjourned on motion of Hon. N. B. LUCAS (Eumemmerring).

Debate adjourned until next day.

FEDERAL COURTS (CONSEQUENTIAL AMENDMENTS) BILL

Second reading

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

That this bill be now read a second time.

Introduction

Members will recall the Federal Courts (State Jurisdiction) Act 1999, which was passed in this house last sitting. At the time that bill was introduced, it was foreshadowed that a further bill would need to be passed to consequentially amend a number of state acts which form part of national cooperative schemes.

Both this bill and the now enacted Federal Courts (State Jurisdiction) Act form part of the legislative response necessitated by the High Court's decision last year in *re Wakim*. In that decision the High Court struck down the vesting of state jurisdiction in federal courts.

The *re Wakim* decision has affected a number of Commonwealth–State cooperative schemes which apply certain commonwealth laws as state law and also purport to confer jurisdiction on the Federal Court. The schemes affected include the agriculture and veterinary chemicals scheme, competition policy scheme, Corporations Law scheme, gas pipelines access scheme, National Crime Authority scheme and the price exploitation scheme associated with the federal government's goods and services tax.

The Federal Courts (State Jurisdiction) Act enables state courts to deal with applications under the schemes that would otherwise have been dealt with by a federal court, and provides:

that the rights and liabilities of persons under ineffective judgments of a federal court that purported to exercise state jurisdiction are taken to be rights and liabilities under judgments of the Supreme Court; and

for the transfer of proceedings before a federal court in relation to state matters to the Supreme Court.

Description of the bill

The bill which I am now bringing before the house addresses several outstanding issues in the various acts affected by the High Court's decision. This bill, while technical in nature, achieves three main things.

Firstly, it removes the now-invalid provisions, which purported to confer state jurisdiction on federal courts. Since the commencement of the Federal Courts (State Jurisdiction) Act 1999 relevant matters are now being heard in the state's Supreme Court.

Secondly, it removes the now-invalid provisions which purported to apply the commonwealth Administrative Decisions (Judicial Review) Act as a law of the state.

Finally, this bill brings the cross-vesting provisions — both generally and in relation to corporations — into line with the revision of the schemes proposed by the commonwealth and complements relevant provisions in the recently introduced commonwealth Jurisdiction of Courts Legislation Amendment Bill. In particular the commonwealth bill provides that judicial review of actions and decisions of commonwealth officers and authorities will usually continue to be dealt with by the Federal Court, although the state Supreme Court is given equivalent federal jurisdiction in limited circumstances. In addition, provision is made for special federal matters — as defined in the Commonwealth Jurisdiction of Courts (Cross-vesting) Act — to be heard in the Supreme Court in certain limited circumstances.

Section 85 statement

It is the intention of section 23 in part 5 and section 27 in part 6 of the bill to alter or vary section 85 of the Constitution Act 1975. I therefore make the following statements under section 85(5) of the Constitution Act of the reasons for altering or varying that section. These are predominantly technical provisions.

Part 5 of the bill amends the Gas Pipelines Access (Victoria) Act 1998 to remove invalid references to the Federal Court. As the various state Supreme Courts will now be the relevant forums in which disputes under this act are heard, the ministers responsible for the gas pipelines access scheme have requested that the act clarify in which state matters arising should be heard. As a result, it is proposed that in certain cross-boundary disputes the matter will be heard in the state which has been determined to be the one most closely connected to the pipeline. If the pipeline crosses a Victorian boundary but the state which has the greatest interest is

not Victoria, this part provides that the Victorian Supreme Court will not have the jurisdiction to make certain declarations or orders relevant to the dispute. Although it would seem an appropriate course of action for matters to be heard in the state which has the greatest interest in the pipeline at the centre of the dispute, expressly providing for such an approach does result in some limitation on the jurisdiction of the Victorian Supreme Court.

Part 6 of the bill amends the Jurisdiction of Courts (Cross-vesting) Act 1987. In particular it makes new provision for the hearing and transfer of 'special federal matters' as they are defined under the commonwealth Jurisdiction of Courts (Cross-vesting) Act. Special federal matters must usually be transferred from the Supreme Court to the Federal Court except in certain limited circumstances. This bill provides that the Supreme Court must only transfer so much of the proceeding as is thought to be within the jurisdiction of the Federal Court; whereas in the past the entire proceeding would have been transferred. This amendment is not of itself introducing a new limitation on the jurisdiction of the Supreme Court; however, some limitation remains. Section 6 of the Jurisdiction of Courts (Cross-vesting) Act was previously the subject of a section 85 statement. Because of the amendments to section 6 made by this bill it is necessary to make this further section 85 statement.

Conclusion

Like the Federal Courts (State Jurisdiction) Act, this bill has been developed under the auspices of the Standing Committee of Attorneys-General. This bill amends seven pieces of legislation, each piece being part of a national scheme. It is anticipated that all other states will pass legislation along these lines in the near future.

The bill provides a workable solution to problems created by the *re Wakim* decision. However, the Standing Committee of Attorneys-General assisted by state and territory parliamentary counsel and solicitors-general, are continuing to work to find a long-term solution to address *re Wakim*.

I commend the bill to the house.

Debate adjourned on motion of Hon. C. A. FURLETTI (Templestowe).

Debate adjourned until next day.

ADOPTION (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 is designed to amend various sections of the Adoption Act 1984. The proposed amendments are consistent with the fundamental purpose and intention of the legislation, and do not entail a review of the act.

The purpose of adoption is for a child to be adopted by persons who are able to provide a secure and lasting family relationship with that child, when that child is unable to live with his or her family of birth on a permanent basis.

The Adoption Act 1984 applies to the adoption of children who are Australian citizens and have been relinquished for adoption. These adoptions are known as local adoptions. In addition, the legislation governs the adoption of children who are not citizens of Australia, but who have entered Australia for the purpose of adoption. Such adoptions are referred to as intercountry adoptions.

Some of the amendments flow from Australia's ratification of the Hague Convention on Protection of Children and Cooperation in Respect of Intercountry Adoption. Other amendments give effect to bilateral agreements or arrangements on the adoption of children between Australia and a prescribed overseas jurisdiction, and allow for the recognition of an adoption from a prescribed country. The arrangements for bilateral agreements were developed to allow the establishment of an intercountry adoption program with the People's Republic of China.

Both the Hague convention and the development of an intercountry adoption program with the People's Republic of China are currently dealt with under the commonwealth Family Law Act 1975.

The amendments strengthen the current provisions in the act regarding the wishes of the child in relation to adoption, provide greater clarity and efficiency in relation to procedures for the approval of applicants and the discharge of adoption orders under the act, and enable an application to be made to the court to add conditions to an existing adoption order.

The amendments are as follows:

A. Hague convention on intercountry adoption

In December 1998, the Commonwealth of Australia ratified the Hague Convention on Protection of Children and Cooperation in Respect of Intercountry Adoption 1998. The ratification of the convention by Australia was the culmination of extensive work between the states and territories and occurred only after the state and territory community services ministers were satisfied that Australia was in a position to comply with the requirements of the convention.

The commonwealth government amended the Family Law Act 1975 to allow the commencement of the convention in all states and territories in Australia from 1 December 1998. An agreement between the commonwealth, states and territories allows for the commonwealth legislation to be mirrored within state legislation.

The Hague convention on intercountry adoption was developed to provide protection for children under the age of 18 years who were the subject of an adoption outside their country of origin.

The convention establishes a system of cooperation between contracting states to ensure that those safeguards are respected and thereby prevent the abduction, sale of and trafficking of children. The convention requires each contracting state to establish a state central authority to ensure that there is no possible family placement in the child's country of origin and determine that any arrangements towards the adoption of a child comply with the requirements of the convention. Within Australia each state and territory has established a central authority and the commonwealth government has established a principal central authority. The commonwealth, states and territories have agreed to the functions and responsibilities of the central authorities in Australia.

Intercountry adoption remains a matter of last resort for a child and can only be considered where a suitable family cannot be found in the child's country of origin. A fundamental aim of the convention is to establish safeguards to ensure that intercountry adoption is in the child's best interests and that the fundamental rights of the child are established in law.

The convention allows for a child from one contracting state to be adopted by approved applicants from another contracting state. Once the adoption has occurred, the child can travel with their adoptive family to the country in which the family is habitually resident. The convention ensures that the adoption of a child in the country of origin is recognised in the receiving country

and the child has the same rights and privileges as a child born in the receiving country.

In Victoria, the person making the application to adopt a child from overseas must be an habitual resident of Victoria. The applicant must meet the requirements for approval as established under the convention and the Adoption Act. The state central authority determines the eligibility and suitability of applicants, ensures that they have been counselled and determines that the child is or will be authorised to enter and reside permanently in Victoria.

The amendments allow for the establishment and accreditation of a competent body in Victoria to undertake tasks such as the provision of information, assessment of applicants and the supervision of a child placed in a family for adoption.

B. Bilateral arrangements

It is proposed that the Adoption Act 1984 be amended to provide for the automatic recognition of adoptions from prescribed countries.

The Family Law (Bilateral Arrangements — Intercountry Adoption) Regulations 1998 allow for the automatic recognition of adoptions between countries which have a bilateral arrangement. The amendments provide that a country with which Australia has a bilateral arrangement can be prescribed as a country where an adoption order is automatically recognised. The amendments mirror the commonwealth regulations.

The regulations arose from the longstanding negotiations with the People's Republic of China to establish an intercountry adoption program. The People's Republic of China is a prescribed country.

C. Wishes of the child

Section 14 of the act currently provides that the court shall not grant an adoption order unless the wishes and feelings of the child have been ascertained and due consideration has been given to them, having regard to the age and understanding of the child.

Article 4(d) of the Hague convention on intercountry adoption envisages that states parties would adopt a system of ensuring that a child, having regard to the child's age and maturity, is counselled and informed of the effects of an adoption, that consideration is given to the child's wishes and that the child's consent, where such consent is required, is freely given, in the required legal form and is expressed or evidenced in writing.

Consideration was given to the benefits of requiring children to sign a legal form as evidence of their consent to their adoption. This course was rejected as placing too great a burden on children.

Section 14 has been strengthened to require that children receive counselling and information on the effects of an adoption order, depending on their age and understanding. The counselling will be provided by a counsellor approved for this purpose, and will be provided at least 28 days before the adoption order is granted. The counsellor will be required to provide a written report to the court.

As the counsellor is required to be approved under section 5 of the act, it is therefore expected that he or she will be independent of both the relinquishing and adopting parents. This will enhance the child's ability, where appropriate by virtue of age and understanding, to freely express properly informed wishes.

D. Approval of adoption applicants

Section 15 is to be amended to add a requirement that, with the exception of relative adoptions, all applicants must be approved by the secretary or the principal officer of an approved agency.

The approval process for persons wishing to be considered fit and proper to adopt is currently contained in regulations. In view of the importance of this process, these provisions are more appropriately located in the act and accordingly a new section is to be inserted in the act.

E. Discharge of adoption orders

Section 19 of the act allows for application to be made to the court to discharge an adoption order. The act prescribes who may make such an application, and the grounds upon which the application may be made.

Concern has been expressed about the absence of a procedure in the act for dealing with such applications, in particular, who should be informed of an application, and how they may participate.

The bill amends section 19 of the act to allow the court to hear from 'interested persons' in relation to an application for discharge of an adoption.

The bill allows participation by those likely to be affected by the discharge of an adoption — namely, the child who has been adopted, the natural parents of a child, an adoptive parent of a child, the secretary, the principal officer of an approved adoption agency if they had arranged the adoption, and any other person

determined by the court to have a sufficient interest in the matter.

In addition, the bill provides that the court shall only discharge an adoption order if this would promote the welfare and interests of the child. This is consistent with the basis of the Adoption Act, that the welfare and interests of the child shall be regarded as the paramount consideration.

F. Period of agency approval

The act allows the secretary to approve adoption agencies. Section 25 of the act provides that such approvals or renewals can only be for three years or any longer prescribed period.

The bill allows for approval or renewal of approval for a period up to three years. The approval of an agency for a period of less than three years will allow for the coordination of the renewal process for all agencies. This will ensure that applications for renewal can be dealt with on the same date.

G. Variation of orders and conditions

The act makes provision for adoption orders to be made subject to conditions regarding access and information exchange. Section 59A allows the court to include conditions for access between the child and one or both birth parents, or relatives as specified in the order.

If there are no conditions relating to the birth parents' contact with their child in the adoption order, conditions cannot be added to that order. Section 60 is to be amended to allow for conditions to be added in relation to access and information exchange where there is agreement between the birth parent(s) and the adoptive parents.

Where the parties agree to terms of contact being included in an adoption order, this amendment provides that those conditions can be added. Section 60(3) ensures that no condition increasing contact can be made without the consent of the adoptive parents.

I commend this bill to the house.

Debate adjourned for Hon. R. A. BEST (North Western) on motion of Hon. C. A. Furetti.

Debate adjourned until next day.

ADMINISTRATION AND PROBATE (DUST DISEASES) BILL

Second reading

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

That this bill be now read a second time.

Many of you would be aware of the recent tragic case of Ms Kerry Ann Halleur, a Melbourne woman who died in January this year. Ms Halleur had mesothelioma and was suing the commonwealth government in the Supreme Court of Victoria for damages arising from her disease. Ms Halleur alleged that the commonwealth government had been negligent in allowing her to work in a building that was contaminated with asbestos.

In December 1999, with only weeks to live, Ms Halleur's case was delayed by the commonwealth government, thus jeopardising her opportunity to receive damages for pain or suffering. The delay and Ms Halleur's deteriorating health threatened to cut her potential damages award, which she intended to use to financially support her children, an eight-week-old and a two-year-old, after she died. The commonwealth eventually settled out of court with Ms Halleur. The day after settlement, Ms Halleur died.

Why is it that delays in such cases jeopardise settlements like Ms Halleur's? An archaic law prevents certain actions being continued by a deceased plaintiff's estate.

Prior to 1942 in Victoria, there was a common-law rule that a person's right of action died with that person. This meant that once a person died, their estate could not sue another person, nor could their estate be sued. This led to many unfair cases, where, for example, plaintiffs' cases were frustrated by the death of defendants.

In 1942 this Parliament passed the Survival of Actions Act which overcame this injustice in many cases. That act inserted subsections 25(1) and (2) in the Administration and Probate Act 1928, which were the precursors to subsections 29(1) and (2) of the Administration and Probate Act 1958.

Section 29(1) of the Administration and Probate Act 1958 — the act — provides that when a person dies, all causes of action subsisting against or vested in that person survive for the benefit of their estate, subject to a number of exceptions and qualifications. Section 29(2)(ii) of the act qualifies section 29(1) by providing that where a cause of action survives for the

benefit of a deceased's estate, and where the death of the person was caused by the act or omission which gives rise to the cause of action, the action shall not include any damages for pain or suffering; any bodily or mental harm suffered; or the curtailment of expectation of life.

The policy behind the limitation in section 29(2)(ii) was that damages of these types are personal in nature, and so should not survive for the benefit of the deceased's estate. However, the limitation has three adverse consequences:

the financial position of the deceased's estate and beneficiaries can be greatly affected by whether the person dies before or after their action is finalised. If the person dies the day after the action is finalised, their estate benefits from these types of damages; if the person dies the day before the action is finalised, their estate will not benefit from these types of damages. This is anomalous and introduces a large element of luck for the deceased and their estate;

the exclusion of these types of damages once a person has died provides a financial incentive for defendants to delay settlement of actions for as long as possible in the hope that the plaintiff dies before the action is finalised; and

the potentially great difference between the amounts that may be awarded to a plaintiff before and after death puts enormous pressure on sick and dying plaintiffs to press ahead as quickly as possible with litigation, the pressure of which may greatly increase the plaintiff's distress.

These limitations are especially pronounced in actions arising from certain dust diseases such as asbestosis and mesothelioma. Once these diseases become apparent, they often lead to death within 12 to 18 months. Litigation regarding liability for these diseases is often very complex. The diseases may have been contracted decades ago. The person suffering from the disease may have worked in several locations for different employers, leading to lengthy arguments about liability. As a result, there is a high risk that the plaintiff may die before their action is finalised.

Each other state and territory, with one exception, has similar legislation to section 29 of the act. The exception is New South Wales, where actions for non-economic loss that result from certain dust-related diseases survive the death of the plaintiff.

Following the New South Wales model, this bill will amend the act to permit the survival of certain causes of action for non-economic loss in relation to dust diseases

that currently lapse on the death of the plaintiff. Causes of action for pain or suffering, any bodily or mental harm suffered, or the curtailment of expectation of life will survive a plaintiff's death and be recoverable by their estate.

Many dust diseases are contracted in the workplace. The reforms introduced by this bill will not apply to Victorian workers covered by the Accident Compensation Act 1985 until their common-law rights to sue for serious injuries are restored. When those rights are restored, the survival of actions provided for by this bill will apply to dust diseases contracted in the workplace and covered by the Accident Compensation Act 1985. Until those rights are restored, the reforms in this bill will only apply to litigation arising from dust diseases contracted:

outside the workplace;

to workers like the late Ms Halleur, who was suing the commonwealth for damages arising from a dust disease allegedly contracted in a commonwealth workplace; and

to Victorian workers who contracted dust diseases and lodged claims for these damages prior to 12 November 1997 (when workers' common-law rights to sue for damages were abolished).

The full scope of this bill will therefore not be realised until workers' common-law rights to sue for serious injuries in the workplace are restored. Accordingly, this bill and the proposed bill to amend the Accident Compensation Act 1985 complement each other, yet they stand alone.

The County and Supreme courts will retain their jurisdiction for actions in relation to these dust diseases.

This bill is an important step in avoiding an injustice to plaintiffs suffering from dust diseases and their families. To determine whether there is a need to apply this legislation to other diseases, a departmental working party has been established to monitor the effect of the Administration and Probate Act on plaintiffs suffering from fatal illnesses other than dust diseases.

I commend this bill to the house.

Debate adjourned on motion of Hon. C. A. FURLETTI (Templestowe).

Debate adjourned until next day.

TRADE MEASUREMENT (AMENDMENT) BILL

Second reading

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

That this bill be now read a second time.

The purpose of this bill is to make minor or technical amendments to the Trade Measurement Act 1995 and Trade Measurement (Administration) Act 1995 to adopt nationally agreed reforms that address difficulties with administering the legislation and to correct an anomaly.

Trade measurement legislation seeks to ensure the accurate measurement of physical quantities in trading transactions. It is a cooperative national system agreed to in July 1990, comprising of uniform trade measurement legislation (UTML) across all jurisdictions except Western Australia. Trade Measurement Victoria is responsible for enforcing trade measurement legislation in this state.

The nationally agreed reforms arise from a review of the operation of UTML by the Trade Measurement Advisory Committee. The review found several shortcomings in the practical application of the legislation. In August 1998, the Ministerial Council on Consumer Affairs agreed to a number of amendments, which are to be implemented in two batches. By the agreement of MCCA, Queensland's amending legislation is being used as the model for other participating jurisdictions to implement the reforms.

This bill, which contains the first batch of nationally agreed amendments, will improve the day-to-day operation of the UTML by reducing over-bureaucratic requirements placed on industry whilst safeguarding consumer interests. The amendments will also enable some flexibility in the enforcement of the legislation. Given the machinery nature of this first batch of amendments, MCCA considered that public consultation was not necessary. However, industry and consumer groups will be consulted on the second batch of amendments.

The bill also seeks to amend the Trade Measurement Act 1995 and Trade Measurement (Administration) Act 1995 to rectify an incorrect consequential amendment that has the effect of rendering Victoria's legislation inconsistent with the UTML.

In 1998 the previous government introduced legislation to establish the Victorian Civil and Administrative

Tribunal (VCAT) as a 'super' forum of review, including for appeals against decisions by the Director of Trade Measurement. However, a drafting error in the Tribunals and Licensing Authorities (Miscellaneous Amendments) Act 1998 meant that VCAT was specified as the appeals tribunal in the nationally uniform Trade Measurement Act 1995, rather than in the Trade Measurement (Administration) Act 1995, which is the legislative facility for administration of the UTML within Victoria. This anomaly does not have any effect on the rights or obligations of members of the community to appeal to VCAT on trade measurement issues.

The bill corrects this anomaly by substituting the specific reference in the Trade Measurement Act 1995 to VCAT as the appeals tribunal with a provision that the appeals tribunal be specified under the Trade Measurement (Administration) Act 1995. The Trade Measurement (Administration) Act 1995 will be accordingly amended to specify VCAT as that appeals tribunal. These amendments will ensure that the Trade Measurement Act 1995 is again consistent with the UTML.

I now turn to outlining the key nationally agreed reforms that this bill seeks to implement. The reforms will provide an inspector with the discretionary power to grant an instrument owner or user up to 28 days to correct an instrument which does not conform with the requirements of the Trade Measurement Act 1995. If the discretion is exercised a person can only be prosecuted if the time allowed has expired and the instrument has not been corrected. This reform will overcome problems with the existing legislation that requires a non-conforming measuring instrument to be withdrawn from use even if it does not affect its accuracy in the short term. Owners of measuring instruments will benefit from this reform by providing some flexibility in complying with the legislation.

The proposed amendments will reduce business costs by allowing persons in partnership to be jointly licensed under one servicing or weighbridge licence, rather than all partners being required to obtain an individual licence.

A new offence will be created in relation to the misuse of class 4 measuring instruments, which are those of lower accuracy than those used for normal retail and wholesale purposes. An offence will be committed when a class 4 measuring instrument is used for a purpose other than those to be specified in the legislation, such as the weighing of garbage or logs of timber. This will ensure that such instruments will not

be used for measuring goods that they are not intended to measure.

The bill also amends the Trade Measurement Act 1995 to require a trader who uses a measuring instrument at premises where items are prepacked to have at least one measuring instrument that is approved for use by the National Standards Commission. The penalty for breaching this provision is up to \$5000. The proposed amendments will also require a person who performs batch testing of measuring instruments, such as beer glasses, to be the holder of a servicing licence or the employee of a holder of a servicing licence.

The bill also provides for an inspector to weigh and measure a vehicle and its load. Currently, an inspector only has the power to stop a vehicle but does not have the power to require a driver to allow the vehicle to be weighed. This amendment is only intended to be used to determine the weight of the load, rather than to determine whether the vehicle complies with rules relating to road usage. Inspectors will also be permitted to record, including by filming or photographing, the details of any measuring instrument or article that is examined or tested.

These amendments will ensure that the Victorian legislation operates more smoothly and complies with UTML. The bill will ensure that operational difficulties currently experienced are overcome by simple and effective methods that are cost neutral.

I commend the bill to the house.

Debate adjourned on motion of Hon. BILL FORWOOD (Templestowe).

Debate adjourned until next day.

BUSINESS OF THE HOUSE

Sessional orders

Hon. C. C. BROAD (Minister for Energy and Resources) — 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.

ROAD SAFETY (AMENDMENT) BILL*Second reading*

Debate resumed from 11 April; motion of Hon. C. C. BROAD (Minister for Energy and Resources).

The PRESIDENT — Order! Before calling Mr Ashman, I desire to inform the house of a printing error which has occurred in the 'As sent' print of the Road Safety (Amendment) Bill which received its second reading yesterday.

Clause 36(2) of the bill as introduced into the Legislative Assembly repeals sections 4(1), 17 and 19 of the Road Safety (Drivers) Act 1991. The bill was amended in the Assembly to omit the reference to sections 4(1) and 17 and insert in its place 'sections 4(1)(a) and (c)' with the result that sections 4(1)(a) and (c) and 19 of the Road Safety (Drivers) Act 1991 are now to be repealed.

However, the reference to section 19 was inadvertently omitted from the print circulated yesterday in this house. The bill has now been reprinted and the copies now being circulated in the house contain the correct references in clause 36(2).

Hon. G. B. ASHMAN (Koonung) — I do not think the minor changes to the bill, as just read by you, Mr President, will impact significantly on debate. Had the debate proceeded without the corrections being made, no doubt we would have been back here quickly to have the legislation further amended.

The house should congratulate the parliamentary staff who picked up the error. It is comforting to know the staff scrutinise the bills in such detail as they come to the house. In my 11 years in this place I cannot recall a correction of that type being made; that correction is almost an historic event in this place.

It is usual for the house in spring and autumn sessional periods to debate bills that amend the Road Safety Act. The tradition continues. The opposition does not oppose the Road Safety (Amendment) Bill.

It is fair to say that when the coalition parties were in government, the then opposition rarely, if ever, opposed road safety legislation. The parties may disagree across the chamber on minor points but the thrust of road safety legislation normally has the full endorsement of both sides of Parliament.

The bill picks up and legislatively implements some of the government's policies on road safety. It also picks up a significant part of the all-party parliamentary Road

Safety Committee's work. It would be remiss of me not to comment on the work of that committee, which was reinstated in 1992 by the Kennett government. In its seven years since, under the chairmanship of a coalition member — I trust it will continue under the Honourable Andrew Brideson's chairmanship — the committee has established and maintained its world standing.

The committee began in humble beginnings in 1992 and is regarded around the world as an eminent body on road safety. I am aware that the committee has travelled extensively. Members of the Road Safety Committee are recognised as experts in the field of road safety to the extent that members of other parliaments frequently visit the Victorian Parliament to pick the brains of members of the committee, who should be congratulated on their efforts.

The government has inherited an enviable road safety record. Over the years Victoria has led the way with a number of road safety initiatives. It was the first to introduce seatbelt legislation and it led the charge with its .05 drink-driving legislation. The Victorian Parliament has actively created an awareness of driver fatigue as a road safety issue.

Victoria is now joining with other states in making motorists aware of the problems of driving while affected by drugs. I refer not only to illicit drugs but also to the whole range of prescription and over-the-counter drugs that are available.

The bill creates a number of drug-driving offences. It also introduces a digital traffic camera system, which I understand will initially be used in the Domain Tunnel for City Link but will progress to wider use on Victorian roads. The bill addresses some local government issues, such as the ability of municipal councils to impose and set parking penalties, and some changes to the Marine Act.

A significant amendment in the bill relates to the recognition of national uniform driving hours for heavy vehicle operators. I recognise the subject was not given a great deal of air time when the bill was debated in the other place. Nevertheless, it is a very important issue. The heavy transport industry is conscious of the need to address the problem of excessive driving hours. The bill prescribes penalties for operating companies in the event that drivers are forced to drive for longer hours than those scheduled.

A substantial number of Victorian fatalities are alcohol and drug related — upwards of 50 per cent of fatalities are in that category. Twenty years ago some 40 to 50 per cent of accidents were thought to be alcohol

related; the figure has now dropped to about 25 per cent, which is a significant reduction by any measure. That result has come about because of the .05 blood alcohol concentration legislation. At the same time there has been a significant reduction in the road toll. Whereas in Victoria the toll was in excess of 1000 in the 1970s, it is now around 450 per annum. Obviously each death is one too many, but significant achievements have been made.

As I said earlier, some of those results have been achieved through the .05 legislation and driver education. Some have also been achieved through better vehicle design. We do not pay adequate tribute to motor vehicle manufacturers, and particularly to the designers of motor vehicles, for their contributions to road safety. A 15 or 20-year-old vehicle has nothing more than a set of seatbelts by way of safety equipment; but today's motor vehicles have progressive front-wheel zones, pre-tensioned seatbelts, airbags, adjustable and collapsible steering columns, side impact airbags, side intrusion bars on the doors, and infinitely better braking and steering systems than were available on vehicles 15 or 20 years ago. Therefore it is important to pay tribute to the engineers and manufacturers for incorporating those safety features into vehicles. When we drive out of the Parliament House car park this evening we do so in the knowledge that we are driving far better vehicles than our parents would have ever dreamt of driving.

The bill introduces tests for drivers suspected of driving under the influence of drugs, whether they be prescription or illicit drugs. That clearly represents a step forward. I understand that in New South Wales some 900 drivers each year are detected driving under the influence of drugs and lose the privilege of driving. The bill provides for an initial on-site test by police officers. If the driver fails to demonstrate in that test that he or she is capable of continuing the journey, he or she will be invited to accompany the police officer to a police station or a central point where a medical practitioner or accredited person can take blood tests. In much the same way as motorists are restricted from driving after detection for exceeding the .05 blood alcohol limit, drivers will be restricted from driving if they have been detected driving under the influence of drugs.

The bill is unclear on one point. Perhaps in her response the minister might indicate the government's attitude towards other offences that are detected when a person is tested for driving under the influence of drugs — for example, will there be an attempt to identify whether the driver being tested is trafficking in drugs or has drugs on his or her person?

The bill defines a class of people who are now identified as approved medical professionals. I note pharmacists are included. It would certainly be appropriate for pharmacists to warn people picking up their prescription medicines about the impact those drugs may have on their driving ability, in the same way that doctors and other medical practitioners would do.

I advise the house that a couple of categories of health service providers who are in a position to provide schedule 4 drugs are not named in the bill. That oversight should be addressed. Optometrists are not listed, nor are podiatrists. When conducting eye tests, optometrists will give people drops to dilate the pupils. Those of us who have undergone such tests understand that the vision is not particularly good until about an hour or so after the drugs have been administered. I suggest most optometrists would already do so, but it should be obligatory for them to provide a warning about driving after undergoing such tests. I understand optometrists are also able to prescribe other drugs that could impact on people's vision and driving ability.

Podiatrists are in a slightly different position. Some of the work they do on people's feet is quite extensive. It should be incumbent on them to indicate to people who have undergone certain procedures that it is not appropriate for them to drive while the anaesthetic is still active or while waiting for their feet to recover from some surgical procedure. The government should examine that issue, and I invite it to respond.

The drug test to be performed by the police will to some extent be subjective. It will require a great deal of sensitivity on the part of the officers conducting the tests. Although there seems to be general recognition that officers can be trained to identify people under the influence of drugs, it will nevertheless require some discretion on their part in assessing the tests and determining whether to take the drivers back to the station. Unlike the .05 test taken on the side of the road, which gives a clear indication whether a person is under the influence of alcohol, some of the tests taken on the side of the road for drug-related driving offences will not be as clear.

Once the driver returns to the police station there is also a requirement for the testing to be videoed. The videotape will then become available to the defendant and the police prosecution group, as the case may require. Opposition members want some assurance from the government that videos that are not used as part of prosecution will be destroyed and not retained. We would not want to find them appearing on *World's Worst Police Videos*, which would be inappropriate.

We would not want them found dumped at tips or in some other place where they could find their way into the public domain.

An honourable member interjected.

Hon. G. B. ASHMAN — It may be educative, but I think it is less than desirable. There is a defence that people could not reasonably know the drug was going to impact on their driving. However, clearly there is then an onus on the drivers to demonstrate that they received no warning and it was not reasonable to know the drug could impact on their driving abilities.

In the event that a person objects to the removal of a licence for a drug-related offence that person has a right of appeal to the Magistrates Court. That is only proper. I am certain that under those circumstances the Magistrates Court could deal expeditiously with such matters.

One circumstance of concern has been raised about testing on the side of the road after a collision has occurred when a driver involved is unsteady on his or her feet. The police officer may in such a case seek to test the driver for drug-related offences. There should be a provision that police must note the collision and any injuries people may have incurred. It is possible for people to suffer superficial injuries in such circumstances — a whack to the head from the side glass or steering wheel, for example. Although that type of injury may make one very unsteady it may not require hospitalisation. All honourable members who have been in collisions have been a little shaken up, even if in a relatively minor way. They could be unsteady on their feet which could lead to an over-zealous officer suggesting they were under the influence of some drug.

Some definitions in the bill could potentially cause difficulty and give our friends in the legal fraternity a bit of a bonanza. The definitions of impairment are sure to be tested through the court system and it might be some time before sufficient case law is available to clarify issues such as ‘behaviour usually associated with the use of a drug’. I am not sure what type of behaviour is usually associated with a particular drug. I can see that there could be some challenges about how that is defined, just as I can see cause for challenge on the need to carry out some tests on the side of the road.

The other area I will address briefly is the amendment to the Local Government Act for parking infringements. It appears that the amendment does no more than clarify what local government has been doing for many years about setting local parking fines.

However, I have some concern with what appears to be a move by the City of Port Phillip to impose parking fines of up to \$1000 in some areas. I suggest that is inappropriate. I do not for a moment suggest that the city does not have a problem. However, fines at that level are outrageous. Although it is not my municipality, I would be fairly certain that if such fines were imposed, the residents of that municipality would let their council know they were not appropriate. On my information, a significant number of the people being fined in that municipality for illegal parking are residents and business operators in the municipality.

The legislation also introduces a digital camera system, which is just a progression of technology from film to a digitised system. However, I do recall some years back that when members of this chamber were introduced to new technology its accuracy was found wanting. I caution that as new technology is introduced, legislation generally states that it is accurate and that its accuracy cannot be tested in court — as, for example, the speed camera. Clear assurances must be given that as the new digital systems are introduced, the radar, laser or whatever technology is deployed in those systems is very thoroughly tested by not just the manufacturer but by the state forensic science laboratory and independent assessors. For example, a situation arose where the shielding on the wiring of a piece of equipment did not meet world-recognised standards, resulting in inaccurate readings.

They set up an electromagnetic field in the unit that altered the reading. One must ensure that the new equipment is thoroughly tested. It is incumbent upon us to get that information for the benefit of all motorists. The last thing one wants is to have people inappropriately penalised for faulty equipment. The Marine Act introduces a number of amendments that are in line with what is taking place with the Road Safety Act.

Although the opposition does not oppose the bill it has potential glitches that will mean the legislation will return in 6 or 12 months for further minor amendments to clarify some of the issues I have raised. On balance the bill will provide for safer roads and deserves support.

Hon. G. D. ROMANES (Melbourne) — I support the Road Safety (Amendment) Bill because road safety is an important issue for the community and for the Bracks Labor government. Recognising that, the government made an election promise to reduce the road toll by 20 per cent over the next five years. It is important to set targets and objectives. We must move in a positive direction. The bill is an important initiative

that takes up the 1996 recommendations of the Road Safety Committee and demonstrates the work of the joint house committees in influencing policy and legislation.

The bill introduces the offence of driving a motor vehicle while impaired by a drug. The Road Safety Committee recommended that that be enshrined in legislation because of the growing incidence of drug use by motorists which is a major problem. The Road Safety Committee said that drugs contribute in whole or in part to the road safety problem. That is of concern to all honourable members.

To substantiate that and drawing on data from the Victorian Institute of Forensic Medicine, Vicroads put together a drugs and driving fact sheet outlining the increasing levels of drugs found in fatally injured Victorian drivers over the past decade. From 1990–93, 490 driver fatalities were investigated. In 1997–98 that had been reduced to 333. In 1990–93 drugs were present in the victims of 22 per cent of fatalities. In 1997–98 that had grown to 32 per cent. That reinforces Mr Ashman's point. Although there has been a reduction in the incidence of alcohol in drivers at the same time there has been an increase in the problem of drugs contributing to road fatalities. That contributes to the cost of \$160 million a year the state has to bear in that respect.

The new offence of driving while impaired by a drug is significant. That offence is in addition to previous offences such as culpable driving and driving under the influence of intoxicating liquor or any drug. It is a matter of examining the impairment of the driver within the provisions of the bill. A driver reasonably suspected of driving while impaired by a drug must undergo assessment. If reasonable grounds are found that driver must then be asked to provide a blood and urine sample under a controlled testing situation. The roadside assessment is subjective and relates to behaviour. Police can observe behaviour and document features such as slurred speech.

If there are reasonable grounds for believing a driver is impaired by a drug that initial assessment is a precursor for testing to confirm that a drug is present. I must emphasise that it is not about examining the levels of drug use or kind of drug use in the way that tests for alcohol are conducted to a certain level; it is about whether drugs are present in the bloodstream and can impair the activity and behaviour of a driver.

The bill creates an offence relating to refusing to undergo an assessment. A line of defence is available in cases where someone may have had to use a

prescription or non-prescription drug on the advice of a medical practitioner, dentist or pharmacist. Another precaution is that the subjective assessment is videotaped which means evidence can be called upon in circumstances where a dispute may arise. The videotaped assessments have a sunset period for retention and will then be dispensed with. The bill also provides for suspension of a driver licence until the case goes to court. That gives some protection to the general public if there is a gap in time between when the test is taken and when there is some outcome from the prosecution.

At the other end of the scale a licence restoration order can be obtained from the Magistrates Court based on an assessment from accredited agencies and after driver education programs. There is provision for protection from actions against doctors and authorised health professionals who are authorised to take blood and urine samples by limiting the jurisdiction of the Supreme Court. One can imagine that difficult situations may arise when people suspected of having impaired driving habits while under the influence of drugs or alcohol may take offence at those empowered to undertake those tests, whether it is roadside assessments or controlled testing in circumstances where blood and urine tests are required.

I understand that the Road Safety (Amendment) Bill has been some time in the drafting and that part of the delay in bringing the bill before the house was due to negotiation about the way the provisions would be implemented by the police. Police will have a difficult task, having to deal with fairly sensitive situations at times on top of the other pressures they already feel in their policing role in Victoria.

The bill follows on from similar legislation and programs in New South Wales that the Road Safety Committee observed, along with programs in other parts of the world. Roadside testing for drug use by drivers was introduced some time back — in 1989. The extent of testing has grown over the years, increasing from about 200 tests per annum to 900 tests per annum in the last year or so. Results of tests have been 98 per cent positive, so obviously a major problem exists. It has already been highlighted that the Victorian Institute of Forensic Medicine has documented a growing use of drugs while driving and the need to address the problem.

One issue that arises in addressing the problem across a state like Victoria is that the active components of certain drugs are prevalent in the bloodstream only for about 3 hours, so there is a 3-hour limit on the taking of tests. To enable tests to be taken across the state there

must be available suitably qualified and experienced people who can do the controlled testing and take the blood and urine samples. Therefore the bill provides that other qualified persons such as division 1 nurses as well as medical practitioners can take blood and urine samples. They are registered and approved to do so by the Victorian Institute of Forensic Medicine.

That is important in allowing flexibility and accessibility in testing across the state. There is no point in introducing such a measure if qualified health professionals can be reached within 3 hours only in the metropolitan area or in areas surrounding metropolitan Melbourne and a few of the regional centres. Tests need to be possible across the state, particularly as it is known that our road toll is affected by long-distance driving and other similar factors. It is important to minimise delays so that testing can take place within that 3-hour limit.

The bill also contains miscellaneous amendments to the Road Safety Act which will contribute to improving the governance and administration of road safety in this state. As the Honourable Gerald Ashman mentioned, the power of councils to determine local parking penalties is improved in clauses 16, 22 and 24. Councils have the right to increase parking penalties to up to \$50. The bill clarifies that councils have the right to impose penalties, a right they were deemed to have had under previous legislation.

I would like to comment on a statement of the Honourable Gerald Ashman regarding fines in the City of Port Phillip being up to \$1000. I believe that is incorrect. The proposal the City of Port Phillip is discussing concerns parking permits for residents. If passed by the council, the third resident in a property may pay \$1000 for a parking permit. It is not about fines but about parking permits.

Members on both sides of the house would have been involved in policies and programs relating to planning provisions in the state that encourage a more intense development of the inner city to make better use of inner city infrastructure in Victoria. People should be aware that encouraging people to live in the city does not mean they are encouraged to bring three or four cars with them from the outer reaches of Melbourne. That would make the situation unworkable. I put on record in *Hansard* a correction of what the Honourable Gerald Ashman said earlier.

Other miscellaneous amendments relate to giving protective services officers the power to prosecute people for parking offences under the act. The bill also provides that service of a notice may be given at an

address given to the corporation by a person that is not that person's business address or place of residence.

The bill ensures that regulation-making powers are sufficient to implement the enforcement measures contained in the national uniform driving hours requirements set out for buses and trucks. That is important as it goes to the heart of driver and community safety. The drivers of big B-doubles and other huge transport vehicles must drive within the standards set out. Drivers must not be put under pressure to take drugs to keep themselves awake so they can drive for long hours in trying to meet business or commercial deadlines. Driving such long hours is dangerous as it becomes difficult for drivers to continue without falling asleep.

Other miscellaneous amendments relate to the use of digital traffic camera systems and the repeal of unproclaimed provisions for on-the-spot licence loss infringement notices for probationary drivers caught tailgating and otherwise driving in a menacing way, as set out in clause 36. That amendment has been introduced because the existing legislation has been seen as too punitive. Given the dimension of the penalties involved, the test is too subjective.

This important bill is part of a package of legislative and policy initiatives the government is undertaking under its Road Safety 2000 campaign. As I said earlier, the parliamentary Road Safety Committee has done much work in drawing attention to road safety issues and to what an important matter road safety is within the broader community. As honourable members know, road safety has many dimensions. The bill deals with just some of those elements. I am pleased to commend the bill to the house as part of the Road Safety 2000 campaign.

Hon. J. W. G. ROSS (Higinbotham) — It gives me great pleasure to speak on the Road Safety (Amendment) Bill and put on the record that the opposition does not oppose it. The bill falls into the same category as a number of other recently introduced pieces of legislation — that is, it has sat in the locker and been brought forward as a result of a considerable amount of work by the previous government. I particularly recognise the Honourable Geoffrey Craig and the Road Safety Committee for the enormous amount of work they have done.

The bill is not without its difficulties but the opposition does not oppose it. Suffice it to say that had the coalition been returned to government and had more time to work on the project it would have introduced a much better bill than the bill before the house. That is

not to say for a moment that I do not applaud the Bracks government and its proposed Road Safety 2000 campaign, which according to my quick calculations indicates that the government is planning to save in the order of 75 lives five years hence. It is nice to put that on the record. I hope the government will be held accountable for its commitment. I hope it does even better and puts itself into a position worthy of praise.

The main purpose of the bill is to introduce legislation that makes it an offence for a person to drive a motor vehicle while impaired by a drug. The definition of 'drug' is extensive. I refer to the schedule to the Road Safety Act that has been presented to me by the library. Without counting them I would estimate there to be many hundreds of drugs listed. I observe that the substances included in the schedule are ubiquitous and are not drugs one would ordinarily associate with recreational drug use or drug dependency. For example, at the top of the list is acetone, a solvent widely used in industry. It is volatile, is able to be inhaled by workers on the job and would no doubt be detected in the blood of a person who was stopped for a roadside impairment test or appeared to be impaired as a result of some other condition.

Another substance picked at random from the list is trichloroethylene, a well-known degreasing agent widely used in industry. That illustrates the complexity and difficulty involved in addressing the legislation and the sorts of confounding variables that will be introduced in the inevitable process of individuals defending themselves in respect of charges laid under the legislation.

Another substance included on the list is cannabis. It is not difficult to recognise why cannabis would be included on the list, nor to recognise why heroin should also be included. Another potentially confounding substance is hydrocarbons liquid distilled at under 300 degrees Centigrade when tested according to method D86-67 of the American Society of Testing and Materials. It includes kerosene, mineral turpentine, petrol and white spirit. White spirit is widely used in the dry cleaning industry as a cleaning agent.

An interesting inclusion on the list is methadone. Individuals on methadone programs for the treatment of drug dependency will be brought into the net. However, the bill provides for legitimately prescribed medications to act as a reasonable defence in relation to any charges laid under the act.

The final substances I will pick from the list — which is more than three pages long and two columns wide — are precursor substances, including adrenaline and

ephedrine. The bill clearly envisages picking up analogues of chemical substances, and there would be no doubt that a substance such as ephedrine would be a precursor to a substance such as pseudoephedrine, to which I will refer in due course.

I am talking about a wide range of substances. For probably a quarter of a century the list with amendments — it was last revised in December 1987 — has been a schedule to the Crimes Act, under which driving under the influence of drugs has been an offence for a long period. The crime of culpable driving in association with drugs is also linked to the schedule. Following the proclamation of the legislation it will be high time to revisit the list of drugs and to ensure it is up to date.

The point I make is that the bill applies to a wide range of substances, many of which can be innocently absorbed as a result of a variety of ordinary day-to-day activities. The other point regarding the complexity of the legislation is based on advice I have received from the Pharmacy Guild of Australia that more than 50 per cent of Australians are on some form of medication. Medications as a rule — especially for the first three or four weeks of people being on them — can cause driving impairments. The pharmacy guild lists the following as medications that may cause such impairments: pain killers, anti-inflammatories, blood pressure treatments, heart medications, antidepressants, hay fever medications and cough and cold remedies.

The point is that a huge number of substances will be pulled into the net. The Victorian Institute of Forensic Medicine recognises that probably as many as a quarter of all drivers killed in road accidents have drugs of some type or another in their bodies and the evidence is that the proportion is increasing rapidly towards the number in which alcohol is involved.

In Victoria the drugs of most concern with regard to road safety are amphetamines and other stimulants. Honourable members know of the colloquial stories of the association between the use of amphetamines and long-range haulage truck drivers, as well as the association between recreational drug use and bikie gangs and others. Other important drugs are pseudoephedrine, benzodiazepine and cannabis. When it was last accurately documented the cost of road crashes involving drug use, whether alone or in combination with alcohol, was estimated to be \$143 million, or one-eighth of the state's road toll.

This is important legislation and follows on from amendments to the Crimes Act and the Road Safety Act. In respect of prior provisions such as culpable

driving, the legislation was retrospective in the sense that the necessary tests were done and charges were laid after the occurrence of an accident or fatality. There was no preventive approach to the problems of drugs and driving. The bill attempts to be proactive and to enable a police officer who has witnessed erratic driving behaviour to determine the presence of drugs by undertaking a roadside test. The preliminary indication may justify a subsequent test, and subsequent to that a test of body fluids, particularly blood or urine. The thrust of the legislation is proactive and preventive, and to that extent the opposition applauds the government's intent.

One of the difficulties already alluded to by previous speakers is the relationship between the amounts of drugs taken, when they were taken and how they were taken, whether fortuitously or by intent — and the level of impairment. Everyone in the community has a rose-coloured view of what can be done regarding substance abuse and road traffic safety, as a result of advances in breathalyser technology. However, in respect of almost every drug on the schedule — and there are hundreds — none is understood in terms of physiology and biodynamics in the human body to the extent that alcohol is. A large amount of research has been done in working out the dose response relationship between behavioural change and blood alcohol levels.

The cultural approach to alcohol and its consumption has been such that members of the community are able to gauge in some measure the risk they face in consuming alcohol. There is the concept of a standard drink. Whether it be a whisky and soda, a beer or a glass of claret the cultural adjustment of the dose — the size of the glass from which it is consumed — is around 10 grams of alcohol and it is also widely known that alcohol metabolises at around 10 grams per hour.

Therefore, members of the community are able to adjust their consumption in full knowledge of the legislation that prohibits driving while under the influence of alcohol. There is considerable folklore that is reasonably accurate on how many drinks one can take in an hour to get a loading close to the limit of .05 and how many after that one may consume and still remain within the legal limit. Although the measure is not all that accurate, with some care drivers can approach the consumption of alcohol with a measure of responsibility. The fact that alcohol is totally miscible in water and equilibrates with air in the lungs, and that there are precise instruments for the measurement, means we have been spoilt in terms of our approach to alcohol control.

Hon. D. McL. Davis — And a huge research effort.

Hon. J. W. G. ROSS — Yes. The community has an expectation in respect of the control of drugs and driving that is probably led by alcohol, a drug that possesses unique properties.

Cannabis is fat soluble, does not equilibrate in the blood or with air in the lungs and is tightly bound in fatty tissue. It metabolises at a variable rate and even if one determines blood levels there is no evidence to suggest any quantitative relationship to patterns of behaviour. It is a fond wish to hope that in respect of cannabis and most of the other drugs on the schedule we will achieve the controls and the approach, indeed the community self-assessment in regard to risk, that occurs with alcohol.

The approach in the bill is different. The research undertaken, particularly in California during the last decade, is really at the stage alcohol research was at 30 years ago before the advent of the breathalyser. At that time attempts by police to prove a person had been driving under the influence of alcohol required them to have the person walk a straight line, touch his nose, count how much money he had in his pockets, and so on. There were a variety of subjective approaches taken to estimate the effect of alcohol consumption on driving. That is really where we are at the moment with most of the substances on the intended schedule to the bill.

Nevertheless, the processes have been progressively refined. The advice from the United States is that many of the tests are valid and reliable to a great extent but are labour intensive. I understand from when the opposition was in government that the police have some concerns about the tests. One response has been to modify the instruments to make them less labour intensive and therefore less practical. It must be asked whether those cut-down instruments that have been validated overseas will give the same result in the same circumstances, with the same person if the tests are repeated. I do not believe that work has gone far enough, and that will be a matter for defence lawyers to bring to the attention of the courts when they are confronted with defendants charged under the bill.

Behavioural adaptation in response to alcohol is an extremely complex issue, although the state of the art has reached a high level.

Classic experiments were conducted by Professor S. Lovibond at the Queensland University more than a quarter of a century ago. The experiment involved two control groups. One was a group of

drivers randomly selected from the community. The other group comprised highly experienced rally drivers. Professor Lovibond subjected the groups to a variety of driving tests and administered precise quantities of alcohol. He confirmed the blood alcohol levels with breathalysers and blood analysis.

The results were quite confounding. The lay drivers from the community were obviously affected by alcohol as would be expected, but the experienced rally drivers, even with high levels of alcohol content, never fell to the level of performance of the lay drivers even when they were absolutely sober. The complexities of driver skills will again be brought to the forefront of analysis.

There is also the question of set and settings. There is provision in the act for experts to provide evidence about the probable effects of drugs in the blood. It is by no means clear, and I think I can demonstrate very quickly to honourable members in circumstances all will understand that the set and setting in which the drug is taken is important in terms of the behavioural impact.

On the one hand, if I conjure up a scene of a quiet evening dinner with red wine, candelabras, soft lights and pleasant company, almost invariably one conjures up the impression of alcohol acting as a sedative and not a stimulant. On the other hand exactly the same quantity of alcohol can be consumed from a can at the football on a Saturday afternoon and in that case the chances are the overt behavioural changes will be excitatory and stimulant. So the question of how on earth to have expert evidence indicate exactly the properties of a particular drug without reference to setting and personality becomes difficult to answer.

Notwithstanding those difficulties, I believe the legislation is pure in its intent, and the opposition takes no exception to what it attempts to achieve.

Clearly there are circumstances where an appropriate defence should be allowed for persons charged under the legislation. Where substances listed in the therapeutic sections of the Drugs and Poisons Control Act have been purchased at a pharmacy, it is presumed that the pharmacist not only sells the drugs but also sells advice on the careful use of the drugs or substances that are available only on a doctor's prescription. If those drugs are detected and people are able to legitimately explain why they have the substances in their blood, that is taken to be an adequate defence.

The legislation also breaks new ground in respect of who can take blood. Amendments to several acts allow division 1 nurses under the Nurses Act to take blood. The penalties for refusing to take blood tests are analogous to the penalties relating to alcohol — that is, the same penalties apply if people refuse to take tests.

I have attempted to convey to the house the challenge the government has taken on with the legislation. The opposition supports the government's attempt and does not oppose the bill.

Hon. D. G. HADDEN (Ballarat) — I support the Road Safety (Amendment) Bill, which is an important piece of legislation. Its main purpose is to introduce an offence of driving a motor vehicle while impaired by a drug other than alcohol. That definition is contained in clause 1, which also enables blood samples to be taken by approved health professionals in drink-driving cases.

The bill is part of the Labor government's commitment to improving road safety in Victoria and is a component of the election policy to achieve a 20 per cent reduction in the road toll over the next five years. The 1996 report of the parliamentary Road Safety Committee recommended the introduction of an offence of driving a motor vehicle while impaired by a drug. The then Road Safety Committee estimated that approximately one-eighth of the state's road toll was attributable in whole or part to drunk drivers.

The bill has three main components, the first of which is the introduction of the new offence of driving a motor vehicle while impaired by a drug, which is contained in clause 6. Proposed section 49(1)(ba) provides that it is an offence to drive a motor vehicle or be in charge of a motor vehicle while impaired by a drug.

The bill also introduces the new offence of refusing to undergo an assessment, which mirrors the drink-driving provisions in the Road Safety Act.

Clause 4 covers the definitions of permissible non-prescription drugs, prescription drugs and 'substances'. The definition of 'impairment' is covered by clause 6, and proposed section 49(3A) sets out the proof of impairment criteria for proceedings under the Road Safety Act. In summary, the proof of impairment is that the person drove or was in charge of a motor vehicle; that the person had one or more drugs present in his or her body at the time; that his or her behaviour was consistent with the behaviour usually associated with a person who has consumed that drug or drugs; and that the behaviour usually associated with a person

who had consumed the drug or drugs would result in the person being unable to drive properly.

The defence to a charge of driving while having a drug in one's blood is contained in proposed section 49(3B).

In that instance, the defence of a person charged would be that he or she did not know or could not reasonably have known that the consumption of the drug would have the resultant effect.

Proposed section 49(3C) refers to advice given to the person who consumed the drug. That advice must be written or oral from specified persons who are legally able to give such advice — for example, a registered medical practitioner, a dentist or a pharmacist.

The new penalties provision in the bill is contained in clause 7, which inserts proposed section 50(1C) so that if a person is found guilty, or upon conviction under section 49(1)(ba), the court must, if the offender holds a driver licence or permit, cancel the licence or permit and disqualify the person from obtaining a licence for 12 months in the case of a first offence or two years for a second offence, as the court sees fit.

Section 49(3) of the Road Safety Act provides the maximum court fines: for a first offence, 12 penalty units; and for a second or subsequent offence, 25 penalty units and not more than three months imprisonment. The penalties provided in clause 7 are similar to those prescribed in the Road Safety Act for alcohol or drink-driving offences and drink-driving refusal offences.

Clause 6(4) introduces an alternative offence so that if the prosecution cannot prove a driver was under the influence, the court may find a defendant guilty of a lesser offence of driving while impaired by a drug. The bill also contains provisions for driver licence and permit restoration assessments and accredited driver education programs when a person wants to regain a licence down the track.

The bill quite properly includes section 85 statements, as required by the Constitution Act, and as set out in clauses 13, 17, 29 and 34, which declare the intention to alter or vary section 85. The effect is to confer immunity on certain persons for carrying out certain procedures under the Transport Act, the Marine Act and the Road Safety Act, thereby preventing proceedings being brought against certain professionals in the Supreme Court in respect of defined procedures. The bill also provides for the provision of a certificate as evidence of the procedures followed in taking blood and urine samples from a person. They are to be proof of matters contained in them in the absence of evidence

to the contrary. Those provisions are contained in clauses 10 and 11 that amend section 57(1) and insert proposed section 57A.

Clause 9 deals with impairment. It inserts proposed section 55A to provide for a police member, under certain circumstances, to require a driver to undergo an assessment for drug impairment. It also provides for video recording of the drug impairment assessments. Proposed section 55B provides for urine and blood samples to be provided to a registered medical practitioner or approved health professional.

Proposed section 55C provides for the destruction by the Chief Commissioner of Police of video recordings and any related material or information when it is no longer required for prosecution purposes. The proposed section details a time frame that centres around 12 months after the assessment or 12 months after a person has been charged or found not guilty. Clause 17 provides for approved health professionals to be able to take samples of blood and urine from persons. The bill contains other amendments that were clearly and adequately outlined earlier by Ms Romanes.

The purpose of the bill is to improve road safety. It introduces the offence of driving a motor vehicle while impaired by a drug other than alcohol. Arguments can be mounted for and against a fine balance between the rights and liberties of an individual and the community's expectation of safety on the roads. The expectation is that when one wants to drive or travel from A to B, one arrives safely at B. That is an important and legitimate expectation of the community.

I refer to statistics compiled by the Victorian Institute of Forensic Medicine from analyses of samples from driver fatalities investigated in Western Australia, New South Wales and Victoria between 1995 and 1999. They show that the group using drugs plus alcohol was at the top of the risk tree, followed by those using alcohol only. The data from the national working party on drugs in driving, based on investigations in Victoria, Western Australia and New South Wales in the past three years, showed that up to 20 per cent of driver fatalities may have been avoided had the alcohol-using drivers not drunk alcohol and that up to 8 per cent of driver fatalities may have been avoided had the drug-using drivers not used drugs.

An enormous cost is imposed on the Victorian community for drug-related motor vehicle accidents. The estimate in 1993 was \$143 million a year, as referred to in the 1996 parliamentary Road Safety Committee report. That figure was updated last year to show that the cost to the community is now more than

\$160 million a year. Apart from the emotional cost involved with driver fatalities, such costs cannot be measured in dollar terms.

As to the assessment by a police officer of a person impaired by a drug, in my many years as a practising solicitor before coming to this place I observed that in many instances the police have become skilled at detecting behaviour affected by the consumption of alcohol. I am sure their skills will also include drug-impaired behaviour.

Before entering Parliament I was employed as a duty solicitor, and in that role I had to assess the capacity of clients giving instructions. It was not unusual to have a client whose ability to think and give clear instructions was impaired. The presence of alcohol is clearly evidenced — you can smell it on the person's breath and see its effects on his or her general demeanour. However, drug impairment is a different thing. Over the years I acquired my own skills — I had to for the administration of justice — in assessing a person's level of impairment. I certainly have great faith in the Victoria Police to assess drivers who are under the influence of or impaired by drugs.

The Road Safety (Amendment) Bill demonstrates the government's commitment to road safety in Victoria. I commend it to the house.

Hon. D. McL. DAVIS (East Yarra) — It is with pleasure that I contribute to the debate on the Road Safety (Amendment) Bill. A number of important contributions have been made in the house today. I am particularly pleased to have heard the contribution of the Honourable John Ross, who made a number of points about the bill that I wanted to make, both in the social context and on medical and toxicology aspects that so importantly should drive the implementation of the bill.

At the outset I should say that, together with other honourable members, I support strongly the purposes of the bill. I commend the excellent work undertaken by the parliamentary Road Safety Committee which dates back to the 1970s. Many members of this house and the other place have been or are members of that wonderful committee. I value the contribution they have made to road safety in this state and internationally. Victoria is recognised as an international leader in this area, and that reputation goes back at least three decades. I suggest that is mainly due to the work of the Road Safety Committee. Its report on the effects of drugs has played an important part in bringing this bill to Parliament for debate today.

The Honourable Dianne Hadden referred to the enormous social and economic costs of motor vehicle accidents. It is important to consider the cost of other accidents as well. Road accidents are only one aspect of the social and economic costs to the community of drug impairment. Drugs are also responsible for social and family breakdown, workplace disruption and so on. During the debate honourable members should consider the much broader issue of drugs in society.

The social and economic impact of drug impairment is enormous. I do not dispute any of the figures that have been put on the record by the Honourable Dianne Hadden and other members of the house. However, I shall comment on the way the bill will be implemented. Enormous costs will be incurred if the implementation of the bill is not undertaken carefully, including aspects dealing with social and civil rights. I do not pretend that those concerns have not been taken into account by the committee, the government and the broader community in the lead-up to the introduction of the bill in Parliament.

However, I make the point that the implementation of the very worthy aims of this bill and the goals of the community in this respect need to be done sensitively and carefully because of some of the points made by the Honourable John Ross, particularly about the toxicology of some of the drugs concerned. Dr Ross referred to the length of the schedule. It is an old schedule, but nonetheless an important one. It is important to note that the schedule lists an enormous number of drugs. Our knowledge of toxicology varies considerably, as does our knowledge of the drugs on the list, which Dr Ross so carefully went through during his contribution today.

There is a series of long steps between detecting the presence of a drug, the measurement of a drug, its impact on behaviour and its impact in the community. Those steps can never be taken for granted. It is important to recognise with the implementation of this legislation that we need to consider carefully the reliability and accuracy of the devices we use to measure many of these drugs. We need to be aware that the causality is not clear in many cases. Dr Ross will agree with me that in epidemiology it is always difficult to disentangle cause from effect and the various aspects that relate and build into causation.

The area of social activity and regulation that we are debating is no different from many of the other things we try to do in society. With that in mind, we need to examine the raw physiology and toxicology of many of the listed substances. We need to examine the chain between measurement and levels in the blood, tissues or

samples. With many of the more common drugs, we need to be able to closely relate that over time to the causation of some impairment. We then need to relate that impairment to the social consequences, both in driving and, as I mentioned earlier, other concerns in the workplace and in social situations.

It is also important in the implementation stage that the courts examine the legislation cautiously, particularly these medico-legal aspects. It is important also that they view cautiously the raw science behind them, including the presentation of expert evidence, and that they do so with an eye towards establishing actual causation as closely as possible. I accept the difficulties of establishing that, but I believe the courts need to put in a special effort to understand what has actually occurred in individual situations and to relate that to society's need to suitably regulate drug taking. Society requires that people should exercise the appropriate responsibility when they drive, operate machinery, or undertake other activities that may have greater or lesser measures of danger attached to them. There is a balance to be struck, and it is something the bill tries sensitively to do.

The police in particular need to be cautious about implementing the practical aspects of the bill. Police officers need to be aware that they are dealing with serious social issues. Many of our police will face significant resourcing issues. The bill has implications for police resourcing, as it does for resourcing in Victorian legal centres and the courts. The requirements on our health system will also be significant. There will be a need for testing, as is appropriate, and that will have certain implications as well.

As the government implements the legislation across the various aspects of our society and various parts of the system, it needs to ensure it does so with great thought and care.

I wanted to make a contribution to reinforce a number of points that have been made in the debate. I make the overall point that the bill's aims and objectives are shared by all in the community and certainly come out of the important and valuable work undertaken by the Road Safety Committee. However, sensitivity is needed so the implementation of the legislation does not unnecessarily or unreasonably impact on the civil liberties of people. At the same time the broad and important social objectives aimed for in the bill must be kept in mind.

Hon. KAYE DARVENIZA (Melbourne West) — I am pleased to speak on the bill. As a nurse of many years experience and also as a union official who has

represented health and community workers, I am perhaps more aware than most of the very real effects of road accidents and trauma. I know what it means because I have seen it up close more than most in both this house and the community.

I speak not only of the number of lives lost as a result of road accidents and trauma but of the whole-of-life problems associated with road accidents. Often young lives are cut short as a result of road accidents. Victoria's young men and women do not reach their full potential and are lost to their families and to the community. As well as the deaths on roads that affect the community as a whole are the long-term disabilities, distress and upheavals caused by road accidents and trauma. The Road Safety (Amendment) Bill is therefore of great importance to the community.

Most people are well aware of the effects of drink-driving. We have been fairly well educated, we have seen the graphic advertisements on television that depict road accidents and we have seen the newspaper advertisements and the billboards. We are constantly reminded of the consequences of drinking and driving. Most would agree that the campaigns to educate the community about the effects of drink-driving have been effective.

Although less is known about the effects on the road toll of taking drugs other than alcohol, people are becoming more aware of the consequences of drug use as they see the consequences in their communities. I am particularly aware of that because I represent Melbourne West Province where the taking of drugs and the problems associated with illicit drug use are glaringly obvious.

In its 1996 report the Road Safety Committee expressed concern at the increased incidence of drug-driving and its impact on road safety. That committee attributed as much as one-eighth of the state's road toll to crashes where drugs alone or drugs mixed with alcohol had been consumed by those involved.

I am pleased to say that the bill demonstrates the Bracks Labor government's commitment to road safety. The implementation of the 1996 recommendations of the parliamentary Road Safety Committee resulted from the committee's inquiry into the effects of drugs other than alcohol on road safety. The bill also forms part of a legislative package and policies initiated by the Bracks Labor government in its Road Safety 2000 campaign.

Hon. Bill Forwood interjected.

Hon. KAYE DARVENIZA — I remind the honourable member that it was an election

commitment. The bill is part of honouring that commitment. It is also a component of the Labor election policy to achieve a 20 per cent reduction in the road toll over the next five years.

The bill has three main components. It introduces a new offence of driving a motor vehicle or being in charge of a motor vehicle while impaired by drugs. That means drivers reasonably suspected of driving while impaired by drugs must undergo an assessment of drug impairment. If that assessment provides reasonable grounds for believing a person may be impaired due to drugs, that person will be required to provide blood or urine samples.

The new offence of driving while impaired by drugs will be based on evidence that the person is driving or in charge of a vehicle, that the drug or drugs are present in his or her body, that the driver's behaviour in an assessment of impairment is consistent with behaviour associated with someone who has used that drug or drugs —

Hon. Bill Forwood — Stand on one leg and touch your nose!

Hon. KAYE DARVENIZA — Also that the behaviour normally associated with someone who has used that drug or drugs would result in their being unable to drive properly.

Hon. Bill Forwood — You have touched your nose but you are still standing on both legs!

Hon. KAYE DARVENIZA — The honourable member opposite might have had to undertake that roadside test at some stage because he seems to know it very well!

Another main component of the bill is that it provides for division 1 registered nurses — nurses registered with the Nurses Board of Victoria — as well as doctors to take blood and urine samples for analysis. It also provides protection from actions by disgruntled persons against the doctors or the nurses who are authorised to take the blood and urine samples. Protection of that nature for doctors and nurses is most important. Like doctors, nurses have the technical training and the knowledge to ensure that the procedures are properly carried out. Enabling nurses as well as doctors to take blood and urine samples for analysis will provide flexibility and allocate resources so as to minimise delays when a suitably qualified person is required to attend for the taking of such samples.

The third main component of the bill provides for general amendments. I will not go into those in detail

because the Honourable Glenyys Romanes has already done so.

In conclusion, the bill is significant because road safety is important to every member of the house, to our constituents and to the community at large.

It goes to the issue of road safety and protecting people from both serious and minor injuries. The community has a real expectation that the government will introduce effective measures to address the problems of drivers who drive under the influence of drugs, whether it be a drug or drugs in combination with alcohol. It is an important bill and I commend it to the house.

Hon. E. G. STONEY (Central Highlands) — It is disappointing to read the minister's second-reading speech on the Road Safety (Amendment) Bill and to hear the Honourable Kaye Darveniza claim credit when the bill was the initiative of an all-party Road Safety Committee of the former government.

The bill is the result of a reference given in 1994 to the Road Safety Committee by a former Minister for Roads and Ports, Mr Baxter. The process was continued by the next Minister for Roads and Ports, Mr Craige, and has now been concluded under a third minister, with two different governments. It has been a long and important process and it cheapens the effect of the bill for the Bracks Labor government at the end of the process to claim credit for it.

In 1995 the Road Safety Committee, of which I was a member, published a paper, which is often the first step in a long process, and the former government responded. The Road Safety Committee made 40 recommendations in its final report, all of which were supported by the government. The introduction of the report states:

The presence of potentially impairing drugs in dead and injured drivers is unacceptably high.

The next paragraph indicates the full support the former government gave to the report:

The possible combinations of drugs, alcohol and their effects on road users are extensive and unpredictable, and a new strategy to prevent and deter people from driving while impaired is required.

Of all the 40 recommendations, recommendation 5 was the most important because it heralded a major shift in policy in Victoria and New South Wales. The recommendation states:

That the offence of driving under the influence of a drug be replaced by the offence of driving while impaired.

The bill moves away from the effects of drugs and driving and proof about what a particular drug does to a particular person and his or her driving skills and replaces it with an offence of driving while impaired. That is an important and groundbreaking shift. As Dr Ross and Mr David Davis said, escape clauses in the bill refer to legitimate excuses and blood testing that follow any assessment of impairment which is used as a back-up that will assist the police in their prosecution.

When the Road Safety Committee began its work one paper stood out among all the reports. I refer to the report published by Professor Olaf Drummer, assistant director, scientific services of the then Victorian Institute of Forensic Pathology and Department of Forensic Medicine, Monash University. His paper was so powerful that it stayed with the committee for its entire inquiry and was continually referred to as members of the committee travelled throughout the world. It was also one of the benchmarks used to show the importance of the committee's work. Professor Drummer referred to a study that was carried out from 1990–93 in Victoria, New South Wales and Western Australia. He states:

This study ... showed that 49 per cent of 1045 fatally injured drivers had at least one drug including alcohol detected. Drugs other than alcohol were detected in 22 per cent of these drivers with the most frequently detected drug being cannabis which was found in 11 per cent of these drivers.

The figures can be extrapolated against what may be happening today. I repeat, that in Victoria in the 1990s, 22 per cent of dead drivers had drugs other than alcohol in their systems. Something had to be done. The committee discovered much about drugs in general as well as their effect on driving. With such a report one follows up certain matters. I can speak from personal experience. Over the past couple of years I have been following and observing the progress of a young man who has had problems with cannabis. He has been on cannabis since he was 14 years of age. Recently he admitted he had a problem and went cold turkey. He is doing it hard. He has night sweats and suffers personal trauma as his body adjusts.

The young man still believes and argues that his driving was better when he was on cannabis. That is despite having had two serious accidents within a mile of his home. He firmly believes his driving was better when he was on cannabis because he felt better. The fact is, the reverse is the case.

During its inquiry the committee heard evidence of drivers travelling at 20 or 30 kilometres an hour believing they were speeding. It even heard evidence of drivers pulling up at traffic lights and falling asleep. It

heard about the synergistic effects of legal drugs and alcohol as well as illegal drugs and alcohol. Synergism is something we do not know much about; it can cause impairment without the driver knowing.

The Road Safety Committee was a bipartisan committee. I acknowledge the efforts of its chairman, John Richardson, as well as its members, which included, deputy chairman, David Cunningham and Ian Baker, Ron Best, Burwyn Davidson, Craig Langdon, the late Peter McLellan, Brian Mier, Douglas Walpole and Sue Wilding. I thank committee staff members, including Geoff Westcott, Barry Aitken, Graham Both and Lois Grogan.

I pay special tribute to John Richardson. If ever a member of Parliament found his niche it was John with the Road Safety Committee.

I do not think the committee ever went to a vote. Mr John Richardson's success with his committee was due to his giving everyone a fair go. There was an attitude of respect for both sides of politics. Deputy chairman David Cunningham always got the second question, following the chairman. He was referred to as deputy chairman, which helped encourage the bipartisan nature of the committee.

Hon. R. A. Best — He told terrible jokes.

Hon. E. G. STONEY — He did tell terrible jokes, but you had to excuse him sometimes. Having now found myself as deputy chairman of the Environment and Natural Resources Committee, I have yet to experience what David Cunningham experienced as deputy chairman. The Road Safety Committee is proud of its report. I am pleased that the process, even though long, has come to fruition. I do not oppose the bill.

Hon. S. M. NGUYEN (Melbourne West) — I am delighted to support the Road Safety (Amendment) Bill. Members on both sides are committed to ensuring that the bill is passed by the house. The commitment of members of the Road Safety Committee was to improve the safety of Victorians on the roads. Another reason for the Road Safety (Amendment) Bill coming before the house is that improved road safety was part of the Bracks Labor policy as promised during the 1999 election campaign.

Hon. Andrew Brideson — It was the Road Safety Committee that made the recommendations.

Hon. S. M. NGUYEN — It was also Labor Party policy to reduce the number of road accidents by 20 per cent over the next five years. One of the committee's recommendations was that the drug test for drivers who

control the wheel be improved, ensuring drivers act responsibly when on the roads.

The main purpose of the bill is to introduce an offence of driving a motor vehicle while impaired by a drug. That recommendation of the parliamentary Road Safety Committee in 1996 has been adopted by the Bracks Labor government in its policies. The committee estimated that one-eighth of the state's road toll is attributable in whole or in part to this problem.

People reading the paper or listening to the news would have read or heard that in the past few days in my electorate of Melbourne West 100 people have been arrested on drug-related charges. People trading in or using drugs come in and out of Footscray often, some by car and some by public transport. Once I was driving behind a car and it soon became obvious the driver was as full as a boot. When the lights changed, the driver did not move the car. Every time I honked my horn the driver would wake up and start driving. Such driving is dangerous. A person who is sleeping and driving at the same time cannot control the wheel of a car. I was too scared to try to move closer to the car because the driver could have driven in any direction, so I honked my horn again. Eventually the driver turned down another road. That driver was very dangerous.

The community I represent, Melbourne West, is a marketplace for some drug dealers. I congratulate the police on their work. They have a hard job in keeping an eye on the drug dealers and users in Footscray, arresting them and making the community of Footscray safer. That is a subject I have addressed at public meetings.

I have spoken with Chief Inspector Brian Edwards. He does a good job, working with the council to improve the safety of the community. Drug users come and go. The police might work hard to push them out. Some might go and some might come back. It is an endless competition with drugs. The bill will ensure the police have the power to test and perhaps arrest members of the community suspected of driving while influenced by drugs.

The bill has three main purposes. The first purpose is to introduce the new offence of driving a motor vehicle while impaired by a drug. It is in addition to existing offences such as culpable driving and driving a vehicle while under the influence of intoxicating liquor or any drug. While those are serious offences, they have a limited effect in combating the problem of drugs and driving as drivers are usually prosecuted after a serious accident has taken place.

The second purpose is to provide for other qualified persons — namely, division 1 nurses — as well as medical practitioners to take a sample of blood and be furnished with a sample of urine.

The third purpose is to ensure regulation-making powers are sufficient to implement enforcement measures in the national uniform driving hours requirements for buses and trucks; to improve the power of councils to determine local parking penalties; and to repeal unproclaimed and redundant provisions concerning tailgating and menacing driving.

Motorists who take drugs and drive cannot expect a lenient and sympathetic reception when they come to the court. They will receive a strong penalty. The roads will be safer when drug users receive strong penalties and have their licences taken away. People suspected of using drugs can be tested. Drivers who fail to undertake tests can be taken to police stations and be required to give blood and urine samples.

The community wants the bill to be adopted as soon as possible. It is hoped that will happen by July, which is only three months away. Many parents are concerned about the safety of their children on the roads, especially during the school holiday period.

Under the new legislation that is designed to put an end to drug driving offenders can be jailed, face fines of up to \$2500 and face long licence suspensions. Police will be armed with video cameras to record suspect drivers as they perform a series of tricky exercises. Police can take them to police stations and force them to give blood and urine samples. If drivers test positive to soft or hard drugs they can be charged. The campaign aims to curb the drug-driving toll, which each year claims about 50 lives and costs the government about \$143 million.

Suspected drug-drivers must perform three tests. They include an eye gazing test, in which drivers will be asked to move their eyes from side to side. Police will be trained to recognise drug-induced symptoms, such as involuntary eye jerking and pupils rolling too far. Another test is the walk-and-turn test, in which suspects will be asked to stand with their arms at their sides and their feet in the heel-to-toe stance. Police will then direct them to take nine steps in a straight line, turn, and repeat the exercise. Another test is the one-leg stand. With arms at their sides drivers will be told to lift one foot off the ground by about 15 centimetres and hold the position for 30 seconds. They must count out loud during the half-minute exercise.

First offenders will be fined \$1200 and have their licences suspended for a year. That will keep many dangerous drivers at home by stopping them from going on the roads. Such drivers will also be required to attend rehabilitation centres to help them give up their drug habits.

At the moment the police can pull up any driver they think is a drug user and ask him or her to take a test. The government will supply hundreds of video cameras for the police to use at booze bus check points and police stations. The government is committed to giving the police more resources to help them do their job of protecting road users.

In conclusion, my view is that the government has done many good things to reduce the number of road deaths and to ensure that drivers are responsible when they turn on their ignitions. The bill will empower the police to do more and enable professionals, such as nurses, to conduct blood and urine tests. I commend the bill to the house.

Hon. ANDREW BRIDESON (Waverley) —

Together with other opposition members I do not oppose the Road Safety (Amendment) Bill and support and endorse all the comments that have been made about it in the debate. It has been an esoteric debate in which a lot of good points have been made.

I will commence by saying that the work of the previous Road Safety Committee under the chairmanship of John Richardson, the honourable member for Forest Hill in the other place, is to be commended. It is as a result of its work that the legislation has been introduced. As chairman of the current Road Safety Committee I advise that it is the committee's intention to continue in the vein of past Victorian road safety committees in trying to come up with ways of reducing the road toll in Victoria.

Unfortunately increasing drug use is affecting the road toll. No matter where you go you see drivers, and to a lesser degree passengers, who are impaired by drugs. I will cite three examples. Last year, in the company of the former honourable member for Springvale in the other place, Eddie Micallef, I went for a walk around an area formerly known as the Enterprise Migrant Hostel to look at syringes that had not been placed in proper receptacles. It was obvious that the large number of syringes found in the gutters and on the nature strips of the surrounding streets had been left there by drivers and passengers of motor vehicles. It was obvious that people had been using drugs and then hopping in their motor cars and driving.

While in Springvale during last September's election campaign I noticed the large number of people who were dealing in heroin. In the company of others I watched one young man who had just done a drug deal hop into his motor car with three other young passengers, all of whom were males whose average age would have been around 25 years. We witnessed them all shooting up and could not believe our eyes when we saw the young man drive off. He was absolutely off his face. Being responsible citizens we contacted the Springvale police, who later intercepted the young men.

In my role as chairman of the Drugs and Crime Prevention Committee in the previous Parliament I spoke to many heroin addicts and it seems to me that part of the thrill of injecting is immediately hopping into a motor car and seeing how far you can drive. Drug addicts are totally irresponsible people who do not care about their own safety or the effect their actions may have on other people. It is good to see the introduction of a bill that will provide the police with wide discretionary powers to apprehend such irresponsible citizens and take the appropriate action.

The main intent of the legislation is to make driving while impaired by a drug an offence. I am concerned that many people are using prescribed drugs. The onus should be on the prescribers and dispensers of drugs to give the appropriate caution to their clients or patients. The legislation may be undone because of the lack of a proper education program for both the medical and pharmaceutical professions.

Proposed section 55A inserted by clause 9 inserts procedures for identifying drug impairment into the Road Safety Act. The testing procedures that are ultimately adopted will have to be thoroughly tested because it is inevitable that civil libertarians and the legal profession will test the legislation in the courts.

The clear intention of Parliament is to reduce the fatalities and injuries on our roads caused by drivers impaired by drugs other than alcohol. When considering legal challenges that come before them courts need to consider that overriding aspect. Parliament is trying to save the community from itself. Other aspects of the bill have been more than adequately covered by other contributors to the debate. I wish the bill a speedy passage and I am sure, as a result of the implementation of these provisions, road users will have one less thing to be concerned about.

Hon. R. A. BEST (North Western) — It is with pleasure that I speak on the Road Safety (Amendment) Bill. I do so as a former member of the Road Safety Committee from 1992 until 1999. Together with my

colleague Mr Stoney, I had enormous pleasure in assisting in the writing of the report, particularly as the terms of reference were provided to the committee by my colleague Mr Baxter, who was then the Minister for Roads and Ports. It is cheeky of the government to claim, as it does in the second-reading speech, that this is an initiative of the Labor Party.

I put on the record the benefits of an all-party parliamentary committee comprising members from both sides of the house examining issues of public concern. The views of committee members crossed party lines; they forgot individual parochialism and examined a difficult issue objectively. As the committee gathered information, not just in Australia but around the world, the thoughts of members crystallised into the most appropriate approach to tackle what is an increasing problem in the community.

I put on the record the enormous respect I have for members of that committee, particularly the chairman, the honourable member for Forest Hill, John Richardson, and the deputy chairman, the former honourable member for Melton, David Cunningham. Another member, the former member for Frankston East, the late Peter McLellan, was certainly committed to social issues. The Honourables Brian Mier, Burwyn Davidson and Doug Walpole, former members of this place, were active members, as were the honourable member for Ivanhoe, Craig Langdon, and the former member for Sunshine, Ian Baker. I thank my colleagues, particularly the Honourable Graeme Stoney and the Honourable Sue Wilding, a former member of this place, for the enormous enjoyment I received from working on the report.

The real challenge for government is to provide an environment that minimises the risk of road accidents. All governments should strive to do that. Victoria's road safety record is recognised throughout the world, but there is a need to continually change to minimise the risks associated with road safety. Victoria has been very successful. It introduced the compulsory wearing of seatbelts, .05 legislation, booze buses, speed cameras and the Transport Accident Commission advertising campaigns that resulted in a dramatic reduction in the road toll. It is still too high, but all these measures have assisted to reduce the road toll. It is certainly far better than it used to be.

As Mr Stoney said earlier, it was not until the committee received a report from what is now the Victorian Institute of Forensic Medicine, compiled by Professor Olaf Drummer, that it realised the seriousness of the incidence of drug-related deaths on our roads. In 1993 the report identified that some 22 per cent of road

fatalities involved drivers affected by drugs other than alcohol. Unfortunately, the trend is increasing. As late as May 1996 reports indicate that 24 per cent of deaths involved drivers affected by drugs other than alcohol. An earlier speaker said that it could now be as high as 28 per cent.

I am concerned primarily with two issues: young people and the truck-driving fraternity. Little mention has been made of the responsibilities that the trucking industry has because of the large vehicles being driven on our roads and the difficult working schedules drivers must adhere to in transporting goods around this great country.

I know many honourable members are parents of teenage children. As a parent I am pleased that young people have become more responsible. The person who is designated as the driver does not drink that night. Unfortunately, there is anecdotal evidence that the designated driver to get his or her kicks may either smoke a joint or get a high in some other way. His companions may drink alcohol, but he may have a joint. The intake of alcohol and the smoking of marijuana is a lethal cocktail. We do not completely understand the physiological reaction that occurs in our bodies but we know there is a degree of impairment.

I am also concerned that employers in the trucking industry are insisting that their employees maintain tight schedules to the extent that often the driving is not broken with the appropriate sleep. The issue needs to be addressed. Drugs can be obtained over the counter to assist drivers to stay awake. The trucking fraternity should urgently address the problems in the industry. Although a driver or an individual may be responsible, there are concerns about the risks truck drivers add to other road users.

I say unashamedly that the committee travelled extensively. It travelled through the United Kingdom and Europe on the first visit, and on the second visit it travelled to the United States of America.

It was on the visit to Europe that the committee interviewed a chap called Hindrik Willem Jan Robbe from the University of Maastricht. At that time Mr Robbe was working on a book called *Influence of Marijuana on Driving*. The findings in the book provide an insight into the problems we face as a community with people who smoke marijuana and drive.

One finding I found amusing is that where alcohol has an effect on people that makes them very cavalier in attitude, people who smoke marijuana become very

concentrated because they acknowledge they are impaired and therefore concentrate even harder. One of the tests performed by Mr Robbe involved driving performance. At page 97 of his book Mr Robbe states:

No driving tests had to be stopped for safety reasons by the driving instructors.

The test involved drivers under the influence of 300 grams of marijuana, which is the recognised THC level to get people to the level of impairment. Mr Robbe continues:

Yet in two instances, both after the highest THC dose, the instructor felt compelled to intervene. In one case the driving instructor twice warned the subject to avoid a screwdriver lying on the road but when he failed to react the instructor did by steering away from the object (it was immediately removed following this incident). The subject was queried about this situation after termination of the ride. He recalled that the driving instructor had taken control but did not recall why! In the other case a subject failed to decelerate as he approached the turning point. The instructor told him to do so, whereupon the subject abruptly brought the vehicle to a stop using the brake.

Because of time constraints I will not elaborate fully on the conclusions reached in the report, but it identifies some of the impairment issues associated with driving under the influence of marijuana.

On the second trip committee members went to the United States of America, and that is where we caught up with Detective Sergeant Tom Page from the drug recognition expert (DRE) program. The program is run by the Los Angeles Police Department, and members of the department demonstrated to the committee how trained police officers who were identified as drug recognition experts were not only able to identify that a driver was impaired but in 94 per cent of cases before the courts were able to identify the drug of impairment. They were acknowledged by the courts as expert witnesses, which is one of the reasons that the committee did not in its recommendations wholly embrace the DRE program as it operates in the United States, but rather looked at a modified set of protocols that would fit into the Victorian system.

In concluding my remarks I put on the record that I am disappointed that it has taken government departments under our administration so long to get the protocols right. It is disappointing that funding became an issue. The protocols are one of the most important road safety issues, and I put on the record my disappointment at the squabbling that occurred over who was going to pay for the program.

I raise another concern about the construction of the legislation. I thought a number of organisations would

be contacted for advice, particularly on issues dealing with responsibilities for health professionals. The final paragraph of a letter from the Australian Medical Association to Robert Doyle states:

I am also able to advise that in mid-1999 AMA (Victoria) provided input into the development of a code of practice for health professionals on drugs and driving by consultants for Vicroads, but this in no way could be interpreted as consultation about the bill, let alone support for it.

It is important to put that on the record because there are enormous expectations on not only general practitioners, the people prescribing drugs, but also pharmacists who dispense drugs.

The legislation is good and is definitely heading in the right direction. I am concerned that there may be some areas that are not as clear and precise as I would like them to be and may therefore be open to legal challenge, but the bill is a step in the right direction. Drugs are a difficult community issue. I urge all honourable members to give the support that is deserved to the implementation of the bill to minimise the number of people who drive on our roads while impaired by drugs.

The PRESIDENT — Order! I am of the opinion that the second reading of this bill requires to be passed by an absolute majority. As there is not an absolute majority of the members of the house present, I ask the Clerk to ring the bells.

Bells rung.

Members having assembled in chamber:

The PRESIDENT — Order! So that I may be satisfied that an absolute majority exists, I ask honourable members supporting the motion to rise in their places.

Required number of members having risen:

Motion agreed to by absolute majority.

Read second time.

Committed.

Committee

Clause 1 agreed to.

Clause 2

Hon. C. C. BROAD (Minister for Energy and Resources) — I shall address some of the points raised in contributions during the second-reading debate. Mr Ashman raised a number of issues, one concerning

optometrists and eye drops that drivers may have had in their eyes; he asked whether that case was covered in the bill. It does not need to be covered in the bill because a person who cannot see properly can be adequately dealt with under the careless driving provisions in section 65 of the Road Safety Act.

The second matter raised by Mr Ashman, which was addressed by another honourable member, was about reported attempts by the City of Port Phillip to impose fines of up to \$1000 for parking offences. My advice is that the council proposal relates to permit fees, not fines, and consequently is not a matter relevant to the bill.

Dr Ross raised a number of matters that I will address briefly. He referred to the list of gazetted substances and the need for that list to be reviewed. I am advised that the current list of drugs has not been amended since it was first gazetted in 1987. Accordingly, in consultation with appropriate experts including the Pharmacy Board of Victoria and representatives of drug manufacturers, the list will be reviewed before the bill comes into force. Consultation has already begun along those lines.

Dr Ross also asked about information provided by the Pharmacy Guild of Australia that about 50 per cent of people are on some form of medication. He expressed concern about how the legislation could impact on such a large group. My advice is that most medicines cause no impairment, and certainly not the gross impairment required before an offence is committed under the provisions in the bill.

Another point raised by Dr Ross related to the effect of drugs not being as well understood in the community as the effects of alcohol. He said the reactions of individuals to particular medications and alcohol varied greatly. That point underlines the intent of the bill and the requirement that evidence of impairment is the principal stage of defining and prosecuting an offence under the legislation.

Clause agreed to; clause 3 agreed to.

Clause 4

Hon. G. B. ASHMAN (Koonung) — During the second-reading debate I asked whether the acts referred to in the bill were appropriate or whether the Dentists Act should be included. I heard the minister respond to my query about optometrists. What about podiatrists being able to prescribe category S4 drugs? Is the onus to be placed on the optician and the podiatrist to provide appropriate information to a patient about the

effects of drugs or about tests carried out on medications?

Hon. C. C. BROAD (Minister for Energy and Resources) — In relation to the definition in the bill of 'dentist', my advice from parliamentary counsel is that the reference relied upon in the bill is correct.

As to podiatrists and the prescription of category S4 drugs, any drugs considered relevant to offences covered by the bill must be able to be absorbed into the bloodstream and to grossly impair behaviour.

I also refer to the matter raised by the Australian Medical Association and pharmacists about advice given when drugs are prescribed. My advice is that the bill does not place any additional responsibility on health professionals to advise people about drugs prescribed.

Hon. J. W. G. ROSS (Higinbotham) — The matter I raise relates to the defence that might be mounted in relation to permissible non-prescription drugs in schedules 2 and 3 and prescription drugs in schedules 4 and 8 of the federal standard for the uniform scheduling of drugs and poisons. A defence could be that the drugs are in the schedule — —

Interjection from gallery.

The CHAIRMAN — Order! The person who has interjected from the gallery should be aware that visitors to the public gallery must not contribute to debate or use loud words or expressions. This is a first warning. Any further interjections will lead to the public gallery being cleared.

Hon. J. W. G. ROSS — The bill contains clear provisions for a defence to be mounted by people taking medication.

Parliament already has before it the Chinese Medicine Registration Bill. Last night I attended a briefing on that bill by departmental officers. They spoke about the inevitability of schedule 1 — which is currently a vacant schedule under the Drugs, Poisons and Controlled Substances Act — being used to accommodate various herbal medications. I have before me, supplied by the Pharmacy Board of Victoria, a list of central nervous system depressants, which are herbal medications. There are some 19 of them that could well be — and in all likelihood should be — added to the schedule of the Road Safety Act. However, because there is no mention of schedule 1 in clause 4, the definitions clause, there would be no provision for a person to entertain or mount a defence in respect of that.

Ordinarily I might have sought an assurance that drugs that are not scheduled under the Drugs, Poisons and Controlled Substances Act should not find their way into the Road Safety Act schedule. However, it is very likely that that will be required, and we will be confronted with the ability of people to provide a defence in the courts that drugs or herbs prescribed by non-evidence-based Chinese medical practitioners were used safely. There are two dilemmas, and it seems to me it is a bit of a catch-22 situation.

The CHAIRMAN — Order! I welcome to the public gallery a former member of this chamber, the Honourable Jean McLean.

Hon. C. C. BROAD (Minister for Energy and Resources) — I am advised that the matter to which Dr Ross has alluded is one of ongoing development. I refer to the remarks I made on clause 2 about the process that is already under way to review the list of substances and the ongoing need to consider matters raised by Dr Ross for further amendment, if necessary, at a future stage.

Hon. J. W. G. ROSS (Higinbotham) — I raise another matter, which is to some extent the converse of the previous situation in terms of defence. This relates to substances that are included in the schedule to the Road Safety Act but are specifically excluded from the poisons schedules. Again, there would be no defence available. One example that occurs to me — and there may be many — is pseudoephedrine, which is a stimulant and certainly a homologue of the drug ephedrine, which is specifically included. It is definitely picked up in the schedule, but in the schedules to the Drugs, Poisons and Controlled Substances Act 1981 the entry for pseudoephedrine reads as follows:

Pseudoephedrine in preparations (other than preparations for stimulant, appetite suppression or weight-control purposes), with a recommended daily dose of 240 mg or less of pseudoephedrine ...

There are a couple of other points in that entry that I do not need to mention. The point is that if a person is picked up with a behavioural abnormality and pseudoephedrine is detected in the blood, if the person has a legitimate response that he or she was using the pseudoephedrine in accordance with the provisions of the Drugs, Poisons and Controlled Substances Act — that is, for weight control or appetite suppression — he or she would be deprived of any defence because there is no mention of it in schedules 2, 3, 4 or 8. As I said, there may be other instances as well.

Hon. C. C. BROAD (Minister for Energy and Resources) — In this instance I refer to the comments I

made about schedule 2, when I said a number of matters, including the ones Dr Ross raised, will be addressed in the process of revising the list. In addition, in regard to the hypothetical example he has used of a person who failed an impairment assessment and was using pseudoephedrine, I am advised that provided the person was using the drug in accordance with medical advice or with labelling instructions, that would be an acceptable defence.

Hon. J. W. G. ROSS (Higinbotham) — The point is that because it is not in the schedules there would be no requirement to get medical or pharmaceutical advice. That is the point. It is self-medication. It is specifically excluded from the schedule, so there is nowhere to go for advice.

Hon. C. C. BROAD (Minister for Energy and Resources) — Many substances that can be purchased over the counter contain very clear labelling instructions as to their appropriate use because of their capacity to impair driving or operate machinery. I further point out that these matters will be addressed prior to the legislation coming into force to ensure these anomalies do not exist in relation to the schedules to which Dr Ross has referred.

Hon. J. W. G. ROSS (Higinbotham) — Clause 4(4) inserts into the act proposed section 3(3), which enables the Minister for Transport, by order published in the *Government Gazette*, to declare any substance to be a drug for the purposes of the act.

It seems unusual that the Minister for Transport would have expertise in that area whereas the Minister for Health would certainly have access to advice from the Poisons Advisory Committee and from the interactions of his department with the uniform standards for scheduling of drugs authorised by the National Health and Medical Research Council. It seems odd for the Minister for Transport to have such power.

Hon. C. C. BROAD (Minister for Energy and Resources) — I am advised that the current situation is that the minister may, by publishing in the *Government Gazette*, declare any substance to be a drug for the purposes of the act, so the provision is not new. I understand also that in making such a determination the minister would rely on the same advice as the Minister for Health would.

Clause agreed to.

Clause 5

Hon. J. W. G. ROSS (Higinbotham) — In its response to the Road Safety Committee report the

previous government acknowledged that people with primary health problems could exhibit manifestations of pseudo-impairment. Those health problems might include heart attack, stroke, bipolar mental disorders, schizophrenia and concussion after an accident.

Given that the police will be administering the roadside test and following that up, it is possible that as a result of police not having full medical training an individual could be put into a chain of events that would deprive him or her of access to necessary medical treatment. The situation could be urgent, if not life threatening. How does the government propose to deal with that scenario and guarantee the health and wellbeing of all persons tested for impairment under the provisions of the act?

Hon. C. C. BROAD (Minister for Energy and Resources) — The advice provided to me is that police will receive training on impairment assessment but will not do anything unless something about the driving or other behaviour or appearance attracts their attention. If as a result of observing the person closely they consider there is a possibility that the person may be ill and in need of medical treatment, they will as their first priority call for a doctor to provide any necessary medical treatment.

Hon. G. B. ASHMAN (Koonung) — I refer to the 3-hour provision. When such an incident occurs in a remote area it is not unusual for the police to call in a medical practitioner from the local town to take blood samples. There has been some issue with the police department about who bears the costs of such tests. I understand a similar situation can occur when the test is carried out in a public hospital. Questions arise as to who will bear the costs of conducting the tests or the fees charged by a medical practitioner where the practitioner is called in specifically to do the test.

Hon. C. C. BROAD (Minister for Energy and Resources) — I am advised that when the costs are incurred on a fee-for-service basis they will be met from the police department budget, which possibly explains why it has been raised as an issue. For a number of reasons the bill does not cover the payment for tests incurred in public hospitals. The bill does not change in any way the procedures or practices that occur at public hospitals.

Clause agreed to.

Clause 6

Hon. J. W. G. ROSS (Higinbotham) — Proposed subsection (3B)(a) deals with medical practitioners and pharmacists offering advice on the use of medications

when driving. Practicalities being what they are, particularly for schedule 2 drugs where it is not mandatory for pharmacists to provide advice — they are over-the-counter medications and are to some extent restricted — and some schedule 3 drugs, does that mean that a pharmacist or medical practitioner could be exposed for providing inadequate advice? Is there a need for protection by reference to section 85, as is the case with persons who take blood?

Hon. C. C. BROAD (Minister for Energy and Resources) — In relation to the first matter, the advice provided by the Minister for Transport to the Australian Medical Association, which raised similar points about the bill, is that it does not impose obligations on medical practitioners in the giving of advice or the taking of samples in any other respect. The concern that this will place an additional responsibility or burden on medical practitioners or other health professionals is not correct. The Pharmaceutical Society of Australia raised similar concerns and has also indicated that it takes some comfort from the way ‘advice’ is defined in the bill and in particular in proposed new subsection (3C) about labelling instructions accompanying drugs.

The issue concerning section 85 of the constitution about legal action is a separate matter that does not relate to this provision.

Hon. G. B. ASHMAN (Koonung) — Am I to understand that if the medical practitioner does not provide the patient with a warning about the effects of the drug the patient then has an adequate defence by stating that he or she was unaware of the impact that a drug would have on his or her driving ability?

Hon. C. C. BROAD (Minister for Energy and Resources) — The bill does not place any additional obligation on medical practitioners about the advice they are already required to provide in prescribing medication. There is no change.

Hon. G. B. ASHMAN (Koonung) — The minister has not responded to my question. Does it provide drivers with an adequate defence that can be presented to the court that they did not have knowledge that the drug would impair their driving ability?

Hon. C. C. BROAD (Minister for Energy and Resources) — If a person failed the impairment assessment and the matter proceeded to the stage of drug testing, in the unlikely event that a practitioner had prescribed medication without providing the information a practitioner is already required to provide, and it could be substantiated that a person could not reasonably have known that by using the

medication in that way he or she would impair his or her driving, there would be a defence.

Hon. BILL FORWOOD (Templestowe) — I take it that your reply is yes to the question asked by Mr Ashman?

Hon. C. C. BROAD (Minister for Energy and Resources) — This is an extremely unlikely situation that is being hypothetically advanced. If that situation were to occur that would be a defence.

Clause agreed to; clauses 7 and 8 agreed to.

Clause 9

Hon. G. B. ASHMAN (Koonung) — I refer to the security of videos that will be collected in a number of the police stations. I seek an assurance from the minister on the process that will be put in place for videos that are not to be used as part of the prosecution process and the process for their disposal?

Hon. C. C. BROAD (Minister for Energy and Resources) — The bill makes it a serious offence to fail to destroy or to use improperly the video recording and related material. The maximum penalty for that offence is \$12 000. It is the responsibility of the commissioner of police to ensure that appropriate procedural safeguards are put in place to ensure that the material is destroyed.

Hon. J. W. G. ROSS (Higinbotham) — Proposed new section 55A(5) refers to a notice being published in the *Government Gazette* showing the procedures to be followed in assessing drug impairment. I have already alluded to the fact that the instrument envisaged in Victoria will be something less than those that have been fully validated in the United States of America. What guarantee can the government give that the instrument so gazetted will be reliable and valid — that is to say, that what is supposed to be measured will be the same each time in the same circumstances?

Hon. C. C. BROAD (Minister for Energy and Resources) — I have already indicated that the test envisaged will be subject to parliamentary disallowance. I would take as a form of guarantee that if Parliament is not satisfied it has the option of disallowing the test.

The impairment test envisaged is based on the standardised field sobriety test. That test has been developed in the United States of America and is now routinely used in 50 states. Through the process of development and validation it is considered to be a highly reliable test that has on many occasions

withstood legal challenge in the United States of America.

Hon. J. W. G. ROSS (Higinbotham) — Proposed new section 55B(2) refers to medical practitioners and approved health professionals taking two samples of blood. Will seals be placed on vials and signatures be required? What will be the chain of evidence, because usually in such circumstances there must be a further reference sample? Why is there no third sample?

Hon. C. C. BROAD (Minister for Energy and Resources) — I am advised that the provision reflects the same provision used in relation to blood alcohol testing at present.

Clause agreed to.

Clause 10

Hon. E. G. STONEY (Central Highlands) — In the second-reading speech the exception of a person being taken to hospital in an emergency situation is dealt with and reference is made to section 56 of the Road Safety Act. Clause 10 is silent on that exception. If a person is taken to hospital seriously injured and blood tests are conducted with positive results pointing to the fact that the driver was under the influence of drugs, since there was no chance of an impairment test being conducted because of the seriousness of the accident, will that person be charged?

Hon. C. C. BROAD (Minister for Energy and Resources) — The answer is yes, but not under the provisions of the Road Safety (Amendment) Bill. I am advised that, provided there was sufficient evidence to support such a charge, under the provisions of section 49 of the Road Safety Act relating to driving under the influence, the person in that example would be charged.

Clause agreed to; clauses 11 to 36 agreed to.

Reported to house without amendment.

Report adopted.

Third reading

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

That this bill be now read a third time.

In making my remarks on clause 2 I did not thank everyone who contributed to the debate, but I am happy to do so now. I thank members on both sides of the house who contributed, particularly noting those members who have, through their work on the

parliamentary Road Safety Committee, followed this legislation through over a long period.

The PRESIDENT — Order! I am of the opinion the third reading is required to be passed by an absolute majority. As there is not an absolute majority of the members of the house present, I ask that the bells be rung.

Bells rung.

Members having assembled in chamber:

The PRESIDENT — Order! So that I may be satisfied that an absolute majority exists, I ask honourable members supporting the passage of the bill to stand in their places.

Required number of members having risen:

Motion agreed to by absolute majority.

Read third time.

Remaining stages

Passed remaining stages.

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

EDUCATION ACTS (AMENDMENT) BILL

Second reading

Debate resumed from 11 April; motion of Hon. J. M. MADDEN (Minister for Sport and Recreation).

Hon. ANDREW BRIDESON (Waverley) — At the outset I indicate that the opposition does not oppose the Education Acts (Amendment) Bill, but will take it into committee to clarify some of the significant issues raised in relation to clause 4.

The purpose of the bill is set out in the second-reading speech. It states that the bill will implement the Australian Labor Party's policy on abolishing self-governing schools and will achieve the following:

... it will repeal most of the legislative provisions dealing with self-governing schools. The provisions that are remaining protect the superannuation and other rights of school staff.

... it will enable teachers and principals employed by councils to transfer to the teaching service. It will also enable others employed by councils to transfer to employment by the Secretary of the Department of Education, Employment and Training.

It further states:

... it will terminate educational services agreements.

The speech also states that the bill provides for a number of transitional arrangements, which I will go into in a little more detail as my contribution develops.

The opposition considers the bill to be a retrograde step. It virtually undoes the Education (Self-Governing Schools) Act, which was enacted in May 1998 and was dear to the hearts of current opposition members, who were then in government. It is a retrograde step because it is a return to the past — to the days of left-wing teacher union domination and control of the public education system and to the days of centralised and bureaucratic control, when ministers could not make decisions without the imprimatur of the teacher union movement. Despite that rhetoric, the government claims it will do otherwise.

The bill is fundamentally about political ideology and an outdated, outmoded socialist philosophy that is aimed at making all schools the same. There is no recognition in the bill of the need for diversity. Strong planks of the opposition's platform are to recognise that each school is different and to ensure that the education system is one of the best in the world. I remember with regret my teaching days during the Kirner years when the catchcry was 'equal outcasts'. Unfortunately the bill will bring about a return to that situation.

The bill is a betrayal of the 51 schools that after an exhaustive self-selection process chose to become self-governing entities. They all signed contracts in good faith but those contracts have now been overturned. That is not a good way to do business. I am sure the inaction that will result from the bill will send a clear message to not only school communities but also the business community that they cannot trust the Bracks Labor government. Schools that were intending to come into the self-governing system have also been betrayed. Before Christmas self-governing schools were bludgeoned into complying by Queen Mary, the education minister.

It is also interesting to note that the bill goes against the proposals espoused by former Ministers Fordham and Cathie, both of whom were great education ministers from the Labor side. I refer to ministerial paper no. 1 of 1983, which was issued when Bob Fordham was minister. It is headed 'Decision making in Victorian education'. It states that the then minister wanted the government to:

... implement a system in which people affected can participate in the decision-making processes and in which all students have the opportunity to develop the knowledge, skills and concepts to participate in a democratic society.

It states further that he wanted to develop a system with:

genuine devolution of authority and responsibility to the school community;

collaborative decision-making processes;

a responsive bureaucracy, the main function of which is to service and assist schools.

That was back in 1983. The bill goes against those principles espoused by Bob Fordham.

In June 1986 a document entitled *Taking Schools into the 1990s* was released. I referred to it in the speech I made on the self-governing schools bill back in May 1998. Interestingly the book, which was issued when Ian Cathie was minister, was the forerunner of the self-governing schools policy. Many of its principles were adopted by the Kennett government in its 1998 self-governing schools legislation.

I note what happened to Bob Fordham — the teacher unions got him. I note what happened to Ian Cathie — the teacher unions got him. The teacher unions are now after the Queen.

The PRESIDENT — Order! It is appropriate to refer to the honourable member in the other place by her correct title — as the Minister for Education. Mr Brideson has made his point.

Hon. ANDREW BRIDESON — The teacher unions are after the current Minister for Education and the bill is her first attempt to placate them. She knows that if she does not deliver on this issue she will be history.

The bill raises some key questions. An important question concerns what the bill will do for students, which should be the measure of any education bill. The bill does nothing to improve education outcomes and robs school councils of the decision-making ability they had under the self-governing schools program to run their schools autonomously. Labor claims to uphold diversity, so how does it justify introducing the bill? The former Kennett government consulted with all players in the broad education community before introducing the self-governing schools program, but was there adequate consultation with school principals before the decision was made to dismantle the program? The answer is no.

I refer honourable members to a document entitled 'Your invitation to a conversation about public education — the next generation' which sets out some

of the principles of public education. At page 3, under the heading 'Enhancing school management', it states:

Victorian government schools require a high degree of responsibility and authority in managing their operations. Schools should select their own staff, determine their own programs and manage their own budgets within an equitable and economically responsible state school framework.

The provisions in the bill are the opposite of the principles enunciated in the document. The bill removes the autonomy of schools to set their own direction. It removes the option of developing priorities at the school level. It removes the access schools have to resources from school services — a hallmark of self-governing schools. It removes flexibility for the control of budgets at the local level by parents, staff and community representatives on school councils. It removes the ability to adopt innovative staffing arrangements to meet special needs.

Blackburn Secondary College is a special music school which employed additional music teachers to enhance its program. It will not be able to do that under the structure being imposed by the provisions of this bill because a centralised system is being imposed. The bill removes the advantage of specialised curriculums.

The bill dismantles a world-recognised initiative. Schools in the United Kingdom use a similar model to the self-governing schools program. The principles adopted for charter schools in the United Kingdom under the Blair Labour government are similar to those adopted in Victoria.

I want to dispel some of the myths put around by the Labor Party. The self-governing schools program was not about winners and losers. The second-reading speech states:

In early 1998, when Parliament debated the self-governing schools bill, the Labor Party vigorously opposed the bill. It was opposed for its division of schools into two classes ...

Nothing could be further from the truth. Two classes of schools were not created. Principals of self-governing schools, formerly principals of non-self-governing schools, said there was little difference. They said that under the self-governing schools guidelines their schools were no different from other schools in the state system. Schools had the right to choose. School communities and councils went through a lengthy education program before making the decision to become self-governing.

It should be noted that it was not just affluent larger eastern suburbs schools that took up the option to become self-governing. The model was adopted by

schools throughout Victoria in the electorates of Sandringham, Bellarine, Mornington, Swan Hill, Dromana, Ballarat East, Bendigo East, Broadmeadows, Bundoora, Geelong North, Essendon, Seymour and Dandenong North. Many were in Labor-held electorates.

Hon. P. R. Hall — More of them were in Labor-held electorates.

Hon. ANDREW BRIDSON — I concur with Mr Hall. The Labor Party does not understand that under the self-governing schools program schools still remained in the state education system. The Labor Party put about the myth that the program was the first stage of privatising schools. Nothing could be further from the truth. I will be interested to learn from government members who contribute to the debate how they perceive self-governing schools were the prelude to the privatisation of schools. Parents sending children to a private school pay fees to cover the salaries of teachers. That does not occur in the public education system. The Labor Party does not understand what self-governing schools were about.

The bill flags the start of a depressing period for Victorian state schools. It heralds a return to a centralised system and to union domination, more's the pity.

The only glimmer of hope on the horizon is that when the opposition next forms government — and I do not think that will be all that far away — schools will again be empowered to make their own decisions on their management. That will result in positive educational outcomes for students, teachers and school communities.

Hon. T. C. THEOPHANOUS (Jika Jika) — I support the bill.

Honourable members interjecting.

The PRESIDENT — Order! Mrs Carbines is not helping Mr Theophanous. I suggest she keep quiet and allow him to contribute to the debate.

Hon. T. C. THEOPHANOUS — I support the bill with a sense of pride because it restores equity and fairness to the education system in Victoria. The shadow Minister for Education, the honourable member for Warrandyte in the other place, has described the debate as ideological. In some respects it is an ideological debate because education has always been the subject of important social debate. The side that one falls on in that social debate is very much a consequence of what one believes in.

On one side of the great education debate are people who believe education is simply another commodity that should be subject to market forces and should be accessible to people who can afford to pay for it. Opposition members have said they sit squarely on that side of the debate. Make no mistake the action taken by the previous government was the precursor to privatisation of the education system in Victoria. Self-governing schools are the Kennett Cafe you drop into on the way to privatisation.

Let us be clear about the situation: on the other side of the great education debate are people who believe every citizen has a right to have access to high-quality education and that educational achievement is the single most important vehicle for social mobility that allows the less well off to improve their lot in life. In many respects education is the great equalising social mechanism in our society. That ideology relies on equal access to high-quality education provided to all citizens. We on this side of the house sit squarely on that side of the debate, and we are proud to sit squarely on that side. We support the delivery of high-quality education to all Victorian citizens.

The debate is not new; it goes as far back as the time of the ancient Greeks, who understood that for people to take their places as citizens and contribute to, improve and progress a democratic society they needed to be educated. Even the ancient Greeks understood that philosophy, and ultimately those views about the value of education are what has driven the development of Western civilisation.

The great social philosophers in modern times have had a similar view of the value of education, including a wide range of philosophers who have commented on the value and importance of education and on the delivery of education both as a vehicle for social stability and to enable people to be part of and advance themselves in a democratic society. Great philosophers such as Jean Jacques Rousseau, Bentham, John Stuart Mill, Toynbee, Herbert Marcuse — all the great social philosophers of our time, and there are many others I could name — —

An honourable member interjected.

Hon. T. C. THEOPHANOUS — Marcuse wrote some very important works. He came out of the Frankfurt school in Germany and believed education was something society should deliver. He wrote an important book called *One Dimensional Man — Studies in the Ideology of Advanced Industrial Society*, in which he explained that a broad education is one of the ways to ensure that we do not finish up with a

one-dimensional society. I do not want to elaborate further on the philosophical underpinnings of these great thinkers, save to say that they played an important role in understanding that for both the development of the individual and as a vehicle for social mobility education is perhaps the most important value in our society. Education cannot simply be left to market forces. Next to health, high-quality education is a social value that should be universally available to all citizens in a democratic society.

In the United States of America it is recognised that ensuring citizens have access to education is one of the major responsibilities of states. It is a right, and a right should not be bought and sold.

I turn to my personal experience in education, because I believe the education system in Victoria, and in particular the public education system, has been the vehicle for many people like me to be able to better themselves and their families. I grew up in Broadmeadows in a working-class area. I went to Glenroy High School, which was in a disadvantaged area. It was a school where it was difficult to break out of the social milieu we found ourselves in. However, it was also a school that upheld the principle that excellence was worth pursuing. We were taught that value.

The public school system has allowed generations of Victorians to move up the social ladder, better themselves and become worthwhile citizens in this great state. One of the primary reasons for that is that the public system is a universal system that is available to everyone. I would never have been able to attend university without one of the greatest education reforms in Victoria — that is, the provision of free university places by the Labor government.

The Kennett government's proposal for self-governing schools went against basic education principles. It contravened the principle of universality and equal access. It created a privatised or semiprivatised elite sector. Most importantly, it did not deal with the issue of improving outcomes in all government schools.

Opposition members may say, 'What about the 51 self-governing schools?', but I make it clear that the 51 were a small percentage of the state's 1631 schools. When resources were taken from the vast majority of schools and given to other schools — —

Hon. P. R. Hall — The vast majority of schools?

Hon. T. C. THEOPHANOUS — Yes. If resources are taken from the vast majority of schools and given to a minority of schools, obviously the level of resources

available to the majority of schools will be affected. That creates a two-tier education system.

The Kennett government proposals would have moved the state towards the American system of rich and poor schools. In the American system the rich schools screen the kids and are supported by wealthier families. The schools are operated as businesses. They have investment portfolios and private sector support and all those things that go with wealthier schools. But you can bet your life that if an American comes from a poor and disadvantaged area he or she has absolutely no hope of getting into a wealthy school. A person from a poor neighbourhood must attend the local school and has little chance of escaping the cycle of poverty, drugs and despair that is evident so often in images emanating from the United States.

Victoria does not need a system such as that. The placement of a Victorian child into a rich neighbourhood school cannot be achieved without resources. The ultimate example is the proposal implemented in some American states where they bus a small number of students out of poor neighbourhoods to try to get some level of equity in the system. They take them to schools in the rich neighbourhoods, much to the disapproval of people associated with the rich schools.

Hon. Andrew Brideson — Did it happen in Victoria?

Hon. T. C. THEOPHANOUS — I would not like to see a situation here where people were bussed across the state and placed into schools modelled on the Kennett government's self-governing schools. That would have created a two-tier education system.

The challenge in education is to address the real social and educational problems in schools, particularly in disadvantaged areas. Some of the huge government schools in the western, northern and southern suburbs and in some parts of regional Victoria face massive challenges and problems in trying to increase or upgrade the delivery of high-quality education to their communities. That is the challenge for public education in Victoria — not to privatise the system but to make a truly universal, high-quality education system work. Rather than starting at the challenging end, which may have brought some schools within the ambit of excellence in education, the previous government started at the top end and provided additional resources to a small number of schools that had decided to move in that direction.

Opposition members interjecting.

Hon. T. C. THEOPHANOUS — Look at the Victorian certificate of education results, as I have, across the state. The results in some of the disadvantaged areas of Melbourne are not up to the standard of those from schools in other areas. I do not wish to name the schools or the areas, but unless the standard of schools is improved —

Opposition members interjecting.

Hon. T. C. THEOPHANOUS — You don't like hearing about disadvantaged schools; you want to hear about market forces, private sector practices and private portfolios in government schools and all the rest of it. The opposition does not want to hear about the real challenge in getting up to scratch the schools that have not been performing. Any self-respecting Minister for Education would do that.

Opposition members interjecting.

Hon. T. C. THEOPHANOUS — That is exactly what the Kennett government did not do. Rather than providing additional funds to the identifiably disadvantaged schools it made funds available to a small group of schools identified as prepared to go at least part of the way along the road to privatisation of schools, as introduced by the former Premier, Jeff Kennett, and his Minister for Education, Phil Gude.

The bill repeals the sections of the Education Act relating to self-governing schools. It also enables teachers and principals employed by councils to apply for transfer to the teaching service and to move to other areas by approval of the Secretary of the Department of Education, Employment and Training. The bill also terminates employment agreements for teachers. It restores equity, because self-governing schools received favourable funding, but all state schools should be treated equally.

Hon. P. R. Hall — Tell us about it. What amounts? How were they different?

Hon. T. C. THEOPHANOUS — They were. Not only did they receive different funding; they were given special powers different from those available to all other schools.

The self-governing schools legislation was the start of moving the education system towards privatisation. Over time it would have provided the school system with the haves and the have-nots.

I shall tell the house about certain aspects in the education system faced by the government when it came to office last year. Not only did we have to deal

with the issue of self-governing schools, but we had to deal with the legacy left by the previous government of an education system affected by years of neglect.

Hon. R. M. Hallam interjected.

Hon. T. C. THEOPHANOUS — It is one of the reasons you were kicked out of government.

Honourable members interjecting.

Hon. T. C. THEOPHANOUS — I shall place on record some of the outcomes of the neglect over a number of years.

The PRESIDENT — Order! I have given Mr Theophanous plenty of latitude, but the bill is not a general education measure. It is a bill which repeals another very specific piece of legislation relating to self-governing schools. I have given him a fair go on the general discussion of the education philosophies of the government and the opposition. He has been speaking for about 20 minutes on that issue, and I suggest he should now address his remarks to the bill before the house.

Hon. T. C. THEOPHANOUS — I am happy to address my remarks to the bill before the house, but I note the opposition is happy to debate the various issues I have raised.

Hon. R. M. Hallam — No, to challenge them.

Hon. T. C. THEOPHANOUS — Well, you haven't taken a point of order yet.

Hon. R. M. Hallam — Do you want us to start? We're happy to do that. Are you inviting us to do so?

Hon. T. C. THEOPHANOUS — The bill makes a fundamental change to the Education Act. It changes the set of arrangements that were put in place by the previous government for self-governing schools. The reason the previous government moved to the self-governing school stage was that despair had been built up in the education system because there was a lack of funding; class sizes had become enormous compared with previous years and compared with other states; and the retention rate had dropped from 78 per cent to 69 per cent.

In a desperate attempt to be seen to be doing something in education, instead of trying to address the retention rate, the underfunding — or lack of funding — the class sizes and the teacher shortages that had been created over a period, the previous government introduced the semi-privatisation model of self-governing schools.

That is the answer it came up with instead of addressing the retention rates and class sizes which had been devastating the schools.

Hon. P. R. Hall — On a point of order, Mr President, Mr Theophanous's comments are in direct contradiction to the ruling you just made on drawing in information that is completely irrelevant to the bill. The comments being made at the moment are not relevant, and I ask you to direct Mr Theophanous to relate his comments to the bill.

Hon. T. C. THEOPHANOUS — On the point of order, Mr President, I made a brief reference to what I believe are the reasons for the previous government shift towards the self-governing school model. It was an attempt to try to repair some of the damage it had done to the education system. My comments are appropriate and completely within the ambit of what the bill is about.

The PRESIDENT — Order! Mr Theophanous has been speaking since 8.20 p.m. I have allowed him a fair bit of latitude in speaking on the background to the issues as he sees them. But the bill before the house is quite specific. I will not rule him out on the particular point made by Mr Hall, but I remind him that this is a limited debate. He has made the point about the privatisation of schools three or four times — as the *Hansard* record will show — so I do not think there is any need to repeat that. I ask him to address his remarks to the bill and the reasons for it.

Hon. T. C. THEOPHANOUS — As I have indicated, the bill will enable teachers and principals employed by school councils to transfer to the teaching service. The transfer is completely voluntary. It is an option that can be taken up under the transitional arrangements in the bill. No-one has been bludgeoned into it, as Mr Brideson attempted to say. It is a completely voluntary act, and the people who want to stay on their contracts will be able to do so, and those contracts will be completely honoured.

The bill provides a complete set of principles for the transition of the former self-governing schools which all the 51 schools agreed were appropriate. I am sure those principles will be debated during the second-reading debate and also in the committee stage. They include the provision that all legally binding contracts will be honoured for their duration provided that they are not extended. All legally binding contracts with individuals or service providers will be honoured as agreed, as will other relevant commitments already entered into by the schools. I repeat: all the contracts will be honoured.

Another principle is that the transitional funding, including agreed additional contractual commitments, will be provided outside school global budgets as a separate line item and will not be traded off against any additional statewide initiative in 2000 or beyond. The mechanisms and the principles are laid down to ensure a smooth transition of the 51 self-governing schools. They ensure the schools will benefit, as will other schools throughout the state.

The Bracks government has made clear its interest in creating a situation of greater autonomy and self-reliance among all schools in Victoria. However, that will be done in a way that provides rights to all schools, not by picking out a group of schools. It will be done within the framework of a universal education system, with the clear intention that the schools will remain public schools and in the public arena for a very long time to come — something that could not be guaranteed under the previous regime.

I shall comment on one of the amendments moved in the other place. An article that appeared in the *Age* of 3 April states:

... the opposition spokesman on education, Mr Phil Honeywood, said the bill contained a provision that would allow the education minister, Ms Mary Delahunty, to sack or change the terms of employment of staff that chose to serve out their contracts.

Nothing could be further from the truth. Indeed, that was the last beat-up of a desperate opposition. In fact, as the opposition was made well aware — —

Hon. P. R. Hall — So you moved the amendment just to make sure, didn't you?

Hon. T. C. THEOPHANOUS — No, the government was happy to move the amendment. It was made perfectly clear to the opposition that the amendment was not necessary. Legal advice from the law firm Minter Ellison indicated that the amendment made no real difference because the minister could not use that power.

Hon. P. R. Hall interjected.

Hon. T. C. THEOPHANOUS — I will explain that in a minute, Mr Hall. The minister could not use that power to vary the contracts. According to legal advice it was not possible because the contracts themselves come under the ambit of common law and are protected by that. It is not possible for a minister to use ministerial direction to do that.

The purpose of the particular clause was nothing more than a way of dealing with teachers against whom there

was substantial evidence of criminal behaviour or misconduct. When the opposition approached the government it was given assurances that according to legal advice the change would make absolutely no difference.

However, to facilitate the passing of the bill — the government is aware that the opposition has the numbers in this house and is capable of being obstructionist on the most silly of amendments — it had no problem accepting the amendment. Not only was the amendment accepted but the motion was moved in another place — because it makes no difference!

Hon. C. A. Furretti — Why didn't you do it?

Hon. T. C. THEOPHANOUS — I contrast the behaviour of the current government with that of the previous government. Time and again opposition amendments were simply ignored.

Hon. C. A. Furretti — Because they were stupid!

Hon. T. C. THEOPHANOUS — You do not like history, do you? The previous government ignored opposition amendments only to find it would have to come back in the next session to fix up the legislation because of the countless drafting mistakes. The former government was not prepared to accept an opposition amendment.

This claim is one of the greatest furrphies of all time because under the act the minister never had that power. I challenge the opposition to find any legal advice to the contrary, because it simply does not exist.

The government moved the amendment at the suggestion of the opposition and, I might add, on the basis that the opposition would be responsible and would support the legislation, or at least not oppose it. I hope that is the case with the current debate and that the parties can have a reasonable second-reading debate.

Time is moving on, a number of honourable members want to contribute to the debate and the opposition wants the bill to go into committee. I will therefore wind up my remarks by reiterating that the bill reverses a social experiment of the previous government that would have resulted in establishing a two-tier system of education in Victoria — the existing system and another for the semi-privatised schools that were part of the project and were funded at a higher level than the vast majority of schools in the state.

The government rejects that approach. Its approach is to have a universal education system of a high quality that

delivers to all Victorians and gives them the chances in life they deserve.

Hon. P. R. HALL (Gippsland) — I can only describe the Education Acts (Amendment) Bill as a silly piece of legislation because it is driven by Labor ideology and has no logic at all. It produces no beneficial educational outcomes and has already been largely achieved by administrative order.

There is no point in the legislation because the Labor government is now going down the track of self-governance in Victorian schools. I predict that in two or three years time Victoria will inevitably end up where it is now, with schools having the autonomy, the independence and self-governance that the Labor Party is proposing in some of the documents I will refer to in my contribution tonight.

The legislation is silly because it puts the cart before the horse. The government proposes a review of education. It issued a discussion paper entitled 'Your Invitation to a Conversation about Public Education — The Next Generation', to which I will refer. I am sure Victoria will end up where it is now — with schools that are autonomous and self-governing.

The Honourable Theo Theophanous spoke primarily about self-governance dividing schools into two classes. Although he did not speak on the bill to any great extent, when he did he used the words contained in the second-reading speech. It made me wonder whether he considered self-governance produced a better class of school.

Perhaps I should pose that question to some of the future speakers from the government side. Do they think the two classes of schools were produced because self-governance produced better educational outcomes? Yes or no? I would love to hear the answer, because if it is no there is no logic behind the statement about division into two classes. We are talking about educational outcomes as being the most important issue. If there is no difference between the educational outcomes, that statement in the second-reading speech is silly.

If self-governing schools produce better educational outcomes, why does the government not bring every school up to the level of self-governance and produce those better quality outcomes?

There is no logic in Mr Theophanous's argument. He has to justify a statement: the division of schools into two classes produced better or no better results. Either way he is defeated. That is why I say he presented a silly argument.

Hon. T. C. Theophanous interjected.

Hon. P. R. HALL — Are resources what it was all about? I thought he was talking about educational outcomes. The first part of Mr Theophanous's contribution was about producing educational outcomes. Why worry about resources? We should be talking about educational outcomes instead of the division of schooling into two classes.

Hon. T. C. Theophanous interjected.

Hon. P. R. HALL — No, let us go back to the bill. Class size has nothing to do with the bill; educational outcomes have everything to do with it. That is what the second-reading speech is about. You spoke about educational outcomes. I would be happy to receive by way of interjection an answer to the question whether the Labor government believes self-governing schools produced better educational outcomes. If they did, why does the Labor government not lift all public schools to the same level self-governing schools? That is what educational outcomes are all about.

If the government were serious about educational outcomes it would accept the fact that self-governance has been an amazing success in Victoria, and it would move all schools towards self-governance. However, the government is driven by the Labor Party ideology that is contained in this silly piece of legislation.

I shall compare self-governance under the former government with the policies of the current government. I want honourable members to try to pick the differences because I claim that by the end of my contribution they will see virtually no difference whatsoever between the current model and the previous model.

In describing self-governing schools I refer to an Education Victoria document entitled 'Self Governing State Schools Information Kit', which describes the principles under which self-governance operates. The first point is to identify what self-governing schools and other schools have in common. Firstly, self-governing schools and other schools must take all the children from the local neighbourhood who want to go there. There is no selecting, as Mr Theophanous said, and no cherry picking of students from areas. Self-governing schools, like other schools, are required to take all the students within the local neighbourhood who want to go to them.

Self-governing schools, like other schools, must provide free and secular instruction to students. That does not marry with the comments the house heard from the government. Self-governing schools remain

part of the system of public education. They remain accountable to their local school communities through their elected school councils. There is no difference in arrangements between other schools and self-governing schools.

The important point I make is that self-governing schools get their funding from the government. That funding is provided on exactly the same basis as other schools. Self-governing schools from lower socioeconomic or isolated areas receive additional funding through the special learning needs index.

I challenged Mr Theophanous to justify the statement that self-governing schools were funded at a higher rate than other schools. That challenge has not been answered. I challenge subsequent speakers to inform the house exactly how they believe self-governing schools were funded differently from other schools. The fact is they were not funded differently. They had the flexibility to determine how the global budget funding was distributed to pay for their resources. I note the silence on the government side when I claim that self-governing schools were funded in exactly the same manner as other schools in the state system.

Hon. T. C. Theophanous — You issued the challenge. What about the \$30 000 establishment grant?

Hon. P. R. HALL — My notes reveal a form of answer. It is a pity you could not get them out when you were on your feet.

Hon. T. C. Theophanous — That is a smart-arse comment.

Hon. P. R. HALL — You only demean yourself. In your 45-minute contribution you had the opportunity, but you could not respond to the challenge.

I shall outline some of the differences between self-governing schools and other schools. Self-governing schools could enter into partnerships with other schools, technical and further education institutions, universities, community groups and businesses to further improve the opportunities available to their students, staff and community. That is not a bad thing. I have not heard anybody object to that. I believe all schools would welcome that opportunity. They had greater freedom in the planning and implementation of facilities development and the option of applying to a specialist centre in a particular curriculum area. That is no different from other schools that have a special interest in their respective school charters. Self-governing schools could employ new staff directly.

I admit that the school council could write the contracts of employment. That is the only difference between self-governing schools and other schools in the system. Also staff conditions were protected by federal awards and ministerial order 18. Finally, self-governing schools had the ability to develop different, innovative and flexible approaches to career development, training and methods of rewarding their staff.

Once again I do not hear any argument from the government on that fine point. All schools would welcome that. I claim there is only one difference between the operation of self-governing schools as opposed to other schools — who writes the pay cheque and who is the legal employer. In self-governing schools it is the school council and in other schools it is the education department.

Having spoken about self-governing schools I return to the Labor Party's discussion paper 'Your Invitation to a Conversation about Public Education — the Next Generation', which I received in my electorate office last year and which refers to the future of public education. Some of the headings are of great interest. One of the principles of public education espoused under the heading 'Enhancing school management' is:

Victorian government schools require a high degree of responsibility and authority in managing their operations. Schools should select their own staff, determine their own programs and manage their own budgets within an equitable and economically responsible state school framework. Balancing this autonomy is a rigorous system of accountability to government and to the local community. In enhancing local decision making and accountability, the government will promote a greater understanding in schools of their role in the community as well as increased responsiveness to parent wishes and to individual student needs.

What is wrong with that? Absolutely nothing. How is that different from what I said about self-governing schools earlier? Only one word is different. This paper talks about schools selecting their own staff. In self-governing schools the councils talk about employing their own staff. That is the only difference. Who writes the pay cheque for those particular staff members? Under the heading 'Issues for consideration' it states:

Increased flexibility and decision making at the school level ...

They are exactly the same words I used about self-governing schools.

A further issue for consideration in the document is headed:

The role and structures of school councils ...

It states:

A partnership between parents, principals, teachers and community is essential to the effective operation of Victorian government schools ...

That is exactly the governance structure of self-governing schools.

Under the heading 'Continual improvement in school performance' it states:

Government schools develop three-year school charters, outlining their improvement priorities with a specific emphasis on improving the learning achievements of their students. Their progress is reviewed every three years through a self-assessment and an external school review, which establishes the improvement priorities for the next three years.

It discusses the key issues to be considered, the current structure of the school charter and the arrangements for external review. There is no difference between self-governing schools and other schools.

Finally, under the heading 'Opportunities for innovation and excellence', it states:

The review should consider options for the provision of opportunities for innovation and excellence within an across all schools.

There are the two words that Mr Theophanous is asking for — 'all schools'. I have no argument with that statement.

At the beginning of my contribution I said that if one really believes self-governance created two classes of schools and produced better outcomes, why not simply take all schools to the level of self-governance — that is, to the same level as the current 51 schools? There is no answer but a shake of the head.

The government is not worried about educational outcomes; it is worried about Labor Party ideology. That is why I say it is a silly piece of legislation. When I read the document I realised that in three years time Victoria will be at the same point as it is now with the schools having the ability to control their own budgets and to employ their own staff exactly the same as the 51 schools do now. If the opposition were in government all schools in the state would follow the principle of self-governance.

If the former government had still been in government, all schools in this state would have been operating under the principle of self-governance. I therefore take up the comment of my colleague the Honourable Andrew Brideson, who concluded by saying he thought the only glimmer of hope was in a return to government by the opposition. I disagree; the glimmer of hope is

within this document itself. The state will be back to a system of self-governance for all schools in two to three years time.

Hon. T. C. Theophanous — So you support the bill?

Hon. P. R. HALL — You are saying exactly what I am saying. Mr Theophanous asks if I support the document. There is nothing wrong with that document at all. It is just another form of words to describe what the state has at the moment: self-governance of schools. If the government had any decency, it would admit that in education it is currently heading towards where the former government was already — that is, self-governance.

I will talk about one or two other things before concluding. I would like to talk about the benefits of self-governance. Like many members of Parliament, I have some schools in my electorate that elected to become self-governing schools. An important point mentioned by my colleague the Honourable Andrew Brideson is that that was purely an election process; schools volunteered to enter into a system of self-governance.

One of the schools in my electorate decided it needed a greater concentration on student welfare needs. Its global budget gave it the flexibility to put more resources towards addressing the needs of student welfare than would have been available under a centralised system. The school employed a full-time guidance officer within the global budget funds made available to it.

Under a centralised system, with a sharing of guidance officers, that school would have been entitled to the services of a guidance officer one and a half days a week.

Hon. T. C. Theophanous — We will put more welfare officers into the system.

Hon. P. R. HALL — I support that initiative. If the honourable member can guarantee that every one of my schools will have a full-time guidance officer, I will be absolutely delighted. I might even cross the floor in support of legislation allowing for a full-time guidance officer for every school in Victoria.

As I said earlier, one school had recognised that one of its most important needs was to have a full-time guidance officer and, using the flexibility within the global budget, it chose to dedicate funds to that resource. The school would have had the resource available for only one and a half days under a

centralised system. That is a simple example of how self-governance gives schools the flexibility to meet the needs of their students. That is what Mr Theophanous spoke about and that is what the minister spoke about in the second-reading speech — giving schools the autonomy and independence to meet the needs of their students.

The centralised system that the government proposes all schools move back to does not provide that flexibility, autonomy or diversity of choice; but self-governance enables schools to individually structure programs that meet the needs of their students. My colleagues have asked a series of important questions, which I support. How will the bill improve educational outcomes? That question has not been answered. I have asked how the school management model proposed in the government's discussion paper is different from self-governance. That question has not been answered.

Opposition members will take the bill to committee, during which time we will ask particular questions and seek some assurances about the rights of those currently employed in self-governing schools. Some assurances will be pursued during the committee stage.

In conclusion, I go back to where I started. It is a silly piece of legislation that will not produce better educational outcomes and that is simply driven by Labor Party ideology and has no logic whatsoever. Reluctantly the opposition is not opposing the bill but believes it does nothing to advance the educational outcomes of students in Victoria.

Hon. E. C. CARBINES (Geelong) — I am pleased to join the debate today as someone who has participated in and supported state education since I first went to school. I was educated in state schools both in England and in Australia. I entered the teaching profession and chose to work all my teaching life in state schools because I felt that students of state schools should have the benefit of the education I had received. Not only have I always worked in state schools; I send my children to state schools.

I understand the benefits of and fully support state education. I am delighted tonight to speak on the Education Acts (Amendment) Bill because it will implement the Bracks government policy, the policy Labor took to the Victorian people in the state election last year. Our policy to abandon self-governing schools was clear and unambiguous. We stated clearly that if we were elected we would scrap self-governing schools. The Victorian people knew our policy. They understood it, and they voted accordingly. The election of the Bracks government was a resounding

endorsement of that policy; opposition members do not seem to understand that it was also a resounding rejection of the former Kennett government policy of self-governing schools.

The self-governing schools program, as introduced into Victoria by the former Kennett government, was anathema to anyone who understood and supported state education because it divided our state schools into two categories. One category was self-governing schools, which had extremely favourable funding arrangements. They were offered a \$30 000 establishment grant to entice them into the program and then \$125 per student to keep those schools in the program. So there were the self-governing schools, and the rest of the state schools fell into the other category. It is important that the passage of the bill will restore equity in funding to state schools. That is a policy all public schools wholeheartedly endorsed.

The bill will repeal the Education (Self-Governing Schools) Act 1998 and those sections of the Education Act 1958 that pertain to self-governing schools. Under those provisions self-governing schools entered into educational service agreements, which granted the councils of the schools four new powers: the ability to employ all staff; to buy and dispose of property; to invest; and to enter partnerships and associations.

The carrot for the self-governing schools was the promise of lucrative funding arrangements, but those funding arrangements came at the expense of all the other state schools in Victoria. Honourable members would be entitled to presume that, with such lucrative funding arrangements, if the program were so beneficial state schools would have jumped at the opportunity to become self-governing schools. However, the figures speak for themselves.

Some 51 state schools opted to become self-governing schools, but 1580 chose not to become self-governing. No matter what the opposition says, those figures cannot be denied. The overwhelming majority of state schools had major concerns about the self-governing schools program and were not prepared to enter into it.

In my electorate of Geelong Province only 2 out of more than 60 schools joined the self-governing schools program. Not one Geelong secondary school entered the program. Members of the opposition wax lyrical about the self-governing schools program, bemoaning its fate tonight, but if the program was so good and so educationally beneficial, why did so few schools across Victoria get involved in the program?

The vast majority of people involved in state education believe it is a public benefit to Victorians and should not be considered a business entity. The self-governing schools program sought to cast 51 schools adrift from the education department with the incentive of extremely favourable funding. However, the funding arrangements for those schools came at the expense of the other 1580 schools in Victoria. The former government therefore created 51 winners at the expense of 1580 losers in the state education system.

The Bracks government is committed to a state education system of the highest quality in which education and not business is the focus, and in which cooperation and not competition should flourish. Those principles set the Bracks government apart from the former Kennett government. The self-governing schools program continued a dark era in state education under the former government, and it must be seen in the context of that dark era. Under the former government Victoria witnessed the loss of up to 8000 teachers, the closure of more than 350 state schools, the dramatic escalation of class sizes and an undemocratic restructuring — —

Hon. Andrew Brideson — On a point of order, Mr President, you have ruled in respect of an earlier speaker that this is a narrow bill. I contend that Mrs Carbines is taking the debate a lot wider than she should, and I urge you to bring her back to the bill.

Hon. E. C. CARBINES — On the point of order, Mr President, I am trying to set the context in which the self-governing schools program was introduced in Victoria. My contribution cannot be seen apart from the context of education under the Kennett government.

The PRESIDENT — Order! As I have pointed out to Mr Theophanous, it is quite permissible to paint the scene to set the background. Once one has done that one should turn to the narrow bill before the house. I am not sure whether Mrs Carbines heard the background outlined by Mr Theophanous, which was quite extensive. Having made that point briefly, I point out that the bill before the house is what is being debated.

Hon. E. C. CARBINES — Thank you, Mr President. That is exactly what I am doing. Under the former government Victoria saw the undemocratic restructuring of school councils and the persecution of teachers in preschools who spoke out.

In my work as a secondary schoolteacher in a number of Geelong schools I experienced the pressures and deprivation placed on school communities by the

former government. I am a parent of two primary school children who attend Bellaire Primary School. I saw their class sizes grow to an unacceptably high level and school fees introduced to prop up the funding deprivation. School councils became unrepresentative.

I need to talk about school councils, because they made the decisions to go into the self-governing schools program. The Kennett government was clever and cunning in restructuring school councils to achieve the desired outcome. It took parent representatives who were schoolteachers or other employees of the then Department of Education off school councils and created a second category of state school parents. It ought to be condemned for that.

School communities in Geelong feared the self-governing schools program and joined together to withstand the privatisation agenda. With the exception of two state schools, Geelong school communities wholeheartedly rejected the self-governing schools program.

The bill is all about restoring equity and funding to all Victorian state schools. Unlike the former Kennett government, which turned its back on the 1580 schools that did not opt to become self-governing, the Bracks government will honour all contracts entered into by the 51 self-governing schools. The bill puts in place the staffing and transitional arrangements that were agreed to by and are needed to continue to support the schools.

The election of the Bracks government has been greeted as a breath of fresh air by Geelong school communities. Since being elected to office I have visited many primary and secondary schools in Geelong. Members of school councils, principals, teachers and parents have told me how pleased they are that the government has changed and that the current government cares about and understands state education.

An example of one of the important changes teachers have told me has occurred since the election of the government is the reduction in class sizes. Last year my son was in grade 3 at Bellaire Primary School in a class of 35, and this year — under this government — he is in grade 4 in a class of 25.

Hon. M. M. Gould — How many?

Hon. E. C. CARBINES — Last year he was in a class of 35 and this year he is in a class of 25. More individual attention is given to every child in my son's class. Last week, along with my colleagues Ian Tresize and Peter Loney, I met with Geelong state school principals. They wholeheartedly endorsed the election

of the Bracks government and the appointment of the new Minister for Education, and spoke glowingly of the government's policy initiatives. They also said they wanted to work closely with the government to actively promote state education. That is important. It augurs well for the reclaimed future of state education.

In conclusion, the Victorian people scrutinised Labor's education policy before the election. They knew what it stood for. They knew the government intended to scrap self-governing schools, and they voted accordingly. I am more than happy to commend the bill to the house.

Hon. B. W. BISHOP (North Western) — I have listened to the debate with a great deal of interest, particularly to the excellent contributions of my colleagues the Honourables Andrew Brideson and Peter Hall. Like them I wonder why we are here tonight, because it has been necessary to sift through the ideology from the contributions of government members to get to the facts that have come from the contributions of the two previous opposition speakers. When I listened to what the Honourable Peter Hall said about the self-management process of the Labor Party and its views about moving to that process, I thought to myself, 'This bill probably just provides a mechanism for schools that want to move ahead to stall the process for a few years'. I concentrate my remarks on that issue.

Eleven of the 51 schools that chose — I repeat, chose — to go down the self-governing school track are in the electorate represented by me and the Honourable Ron Best. Three are in the Kerang–Swan Hill area, five are in the Bendigo area and three are in the Mildura area. However, they were not the only schools that were interested in choosing to be part of the most evolutionary process in education since the country was settled. Other schools also lined up to take part.

I am sure the Victorian education system is going well and that it will continue to evolve. I am sure that school councils, principals and the school communities who made the choice to go down the self-governing school path did so for one reason and one reason only, the welfare of their students. These are links in the chain. The education system has changed over many years. We have had Schools of the Future and now self-governing schools. They should be links in an evolving education system.

I want to take a more even-handed view and give recognition to all principals and school councils in the state school system. I am sure they are committed and have an understanding of the needs and requirements of their students. Some school councils and principals took the step in the evolutionary process of having

further ownership of their schools. They took a further step in responsibility with the welfare of the students as their first priority. We should applaud that. It was their choice. No pressure was exerted. Schools were not being privatised. Opposition members have cleared up that issue.

The four main issues affecting self-governing schools make it clear that privatisation of schools was not an issue. Self-governing schools could select and employ teachers and other staff. They could manage or dispose of property. They could make investment decisions. More importantly, they could form partnerships, joint ventures and associations. That is one of the keys to education in the future.

I recall meeting with school councils and principals in Mildura involved in the self-governing schools program. To say that they were stunned at the Labor government's decision to abandon the program is an understatement. They made it clear the program was not a prelude to privatisation of the state school system. They wanted to look forward, as part of the evolutionary process that has occurred over many years. They wanted the links with the community and industry strengthened. They looked at utilising partnerships, joint ventures and associations to bridge the gaps within school communities and surrounding communities. They were prepared to speed up the process, to continue to build the interface between industry, business and school communities.

I have mentioned the number of schools Mr Best and I have in our electorate, but they are all different. They have different requirements and communities. The needs of students are different, particularly if students want to stay in the area. Bendigo has many opportunities. It has manufacturing industries and service industries, particularly in the health and education fields. The communities of Swan Hill and Mildura are similar, but rely more on broadacre agriculture, particularly horticulture and the service industries that underpin those industries.

The schools that entered the self-governing schools program made a positive decision to build better links between their schools and the communities around them. Had the program continued more opportunities would have emerged. I am not critical of the school councils and principals that did not enter the program. I suspect they wanted to see how it worked. I am just as sure that not all schools would have agreed to enter the program. Mr Theophanous said it was a philosophical argument. That is partly true. Mr Hall said that soon all schools would be in a similar program. The program enhanced the education system and could have been

built on. The Labor government's discussion paper reinforces that point. I believe the education system will stall for two or three years. I ask why the government would want to stop those schools that wanted to remain in the program from moving ahead with the evolutionary process. The government should not stop schools from joining the program.

Following my meeting with school councils and principals in my area I made representations to the Minister for Education in a last ditch effort to ensure that the schools could remain in their preferred system. My suggestion that the minister set up a pilot program to evaluate the process was not accepted, I suspect for ideological reasons. I do not believe the evolutionary process in education has stopped. All honourable members know of schools in their electorates that have a different approach to managing their schools. That is commendable. School councils and principals do their best to match their school curriculum to their school communities and the dreams of students so they are better prepared to cope with the world we live in. I firmly believe self-governing schools provide the flexibility so students can move more quickly along that evolutionary path. Students have the opportunity of improved leadership opportunities to better suit the global community we now live in.

A number of school councils and principals were concerned about the terms and conditions of their employees, as set out in proposed section 15ZL, but an amendment in the other place has rectified that issue. I note that it is proposed that the bill be committed. As the Chairman of Committees I will listen intently to the debate. I am sure my colleagues will ask questions during the committee stage about the issues with which they are concerned.

I am saddened that the evolutionary process that has occurred since this country was first settled, particularly with education, is being hindered by the provisions of this bill. Public education must move forward, not only for the benefit of school councils, principals, teachers or the people who work in schools, but for the benefit of students, who are our future.

Hon. KAYE DARVENIZA (Melbourne West) — I am pleased to contribute to debate on the bill because it implements the government's education policy and sees the Bracks Labor government delivering on the promises it made to the electorate during the last election campaign.

The government's policy is very clear: it abandons the unnecessary self-governing schools program that was about picking winners and losers and creating inequity

within the Victorian education system. It was a sad day when the former Kennett government introduced the self-governing schools legislation. The Bracks Labor government was elected on an educational policy that clearly stated it would abolish the self-governing schools program when it was elected. The bill is about putting into place that election policy.

In 1998 when the Education (Self-Governing Schools) Bill was debated it was strongly opposed by members of the Labor Party for sound and good reasons. It created inequity by dividing schools into the haves and have-nots. One had only to look at the funding arrangements for the self-governing schools compared with that for schools that were not self governing to see that the self-governing schools were certainly the haves.

The self-governing schools each received a \$30 000 establishment grant, and they also received an extra \$125 per student. A school that had 1000 students would receive \$125 000. A school that had 500 students would receive \$62 500, plus the \$30 000 establishment grant, which is a total of an additional \$92 500.

I note that Mr Hall has left the chamber. He challenged the government to demonstrate how funding arrangements were different and how they favoured the self-governing schools, but he has left the chamber before we have had the opportunity to spell it out in some detail.

The self-governing school system created extra work for the school councils, which had to spend time on business enterprises. Because the school councils were worried about how they were going to attract sponsorships and raise money a great amount of time was devoted to business matters rather than educational excellence and meeting the needs of students. Their attention was taken up with running the schools as businesses rather than as educational institutions.

The system saw a clear and evident erosion of teaching services and teachers' working conditions. New powers were given to the self-governing schools. Not only did they receive the extra funding, they received extra powers to employ school staff. They had the authority to buy and sell property, and they were authorised to invest school funds. They were authorised to enter into partnerships and joint ventures with other organisations or businesses. I again make the point that what they were really about was looking at business enterprises rather than the core purpose of a school, which is delivering educational services and programs to students.

At the same time as the self-governing schools were preoccupied with hiring and firing staff, developing partnerships and business enterprises and buying and selling property, the Kennett government was busy pulling the rug out from under the education system and the schools that were not part of the self-governing school program by closing 400 schools, ripping 8000 teachers out of the system and reducing expenditure on Victorian schools to the extent that Victoria had the lowest level of expenditure on education of any state.

That is how the Kennett government established a system of the haves and the have-nots where we saw winners and losers. The schools that became self-governing had to enter into what was called an educational service agreement. Under those agreements the schools were given more favourable funding and more power than other schools. As the Honourable Elaine Carbinés outlined, only 51 of 1631 state schools took up the self-governing option. The school community — teachers and principals — was not interested and did not believe that was the best system of delivering education in Victoria. The teachers and school councils did not want the system; they did not take it up; and they voted in the Bracks Labor government because it had a clearly articulated policy to abolish the self-governing school system.

Since its election the Bracks government has gone about implementing its policy and has done so through a consultative process. Government members have held meetings and the minister has been involved in meetings with representatives from self-governing school councils and principals at which the implementation of that policy and transitional arrangements have been fully discussed. We have been open, frank and clear about what we want to do and how we want to do it. We have approached the issue in a consultative way.

On 16 December 1999, following extensive consultation and negotiation with the 51 self-governing schools, agreement on transitional arrangements was reached and the educational services agreements ceased to apply.

The bill deals with important issues and underlying it are the equally important issues that were missing from the self-governing schools legislation. Honourable members on this side of the house feel strongly about these issues, just as we did when we were in opposition and the Kennett government introduced the self-governing schools legislation that we opposed.

An underlying principle of the bill is equity. Self-governing schools received more favourable funding and had greater power than other state schools. All state schools should be treated equally and should be given opportunities for innovation and excellence. The onus is on all — not some or a favoured few — schools.

Another important issue that underpins the bill is the employment of school staff. The Department of Education, Employment and Training is responsible for operating state schools. As part of that responsibility it, rather than school councils, should be the employer of the principals and teaching staff.

A further issue underpinning the bill is the privatisation of schools referred to by a number of government members. The self-governing schools legislation was the start of the move by the Kennett government to privatise state schools.

I remind the house of some of the initiatives introduced by the government to ensure Victoria has an equitable education system and that the government needs to implement the policy with which it went to the last election. The government will honour the Labor Party's commitments. It has allocated \$30 million to schools to reduce class sizes, including in grades prep, 1 and 2. It has also provided an additional \$10 million to the non-government schools most in need, as well as \$12.2 million for student welfare services in secondary schools. An extra \$10 million has been allocated for students with special needs.

The government has removed the Kennett government's gag placed on teachers and principals. The number of short-term contracts for teachers has been reduced. An additional \$150 000 has been allocated for government, independent and Catholic schools to support an anti-bullying strategy.

In conclusion, the bill is important in that it abandons the bad legislation introduced by the Kennett government to establish self-governing schools. The principle behind the scheme was inequitable and unjust and did Victoria's educational services no good whatsoever. During the life of the self-governing scheme Victoria spent the least amount of money of all states on education. I commend this important bill to the house.

Hon. N. B. LUCAS (Eumemmerring) — In the *Herald Sun* of 25 October 1999 the Minister For Education in the other place was quoted as saying:

We want children's education not to be disturbed by this change of government, but enhanced.

On 22 November the minister wrote to each parent, stating:

... we recognise the commitment of the school communities of the 51 former self-governing schools and we value their good practice. We will build on their achievements ...

The bill is bad policy. It seeks to lock education in Victoria into a single model — that is, a socialist-inspired single education model. It is a shame that through the bill the government is trying to build institutionalised mediocrity into the education system. Government members have talked about the haves and have-nots, the winners and losers. That is strange because the 51 self-governing schools were scattered throughout the state. They were located in, for example, Broadmeadows, Geelong North, Werribee, Melton, Ringwood, Morwell and Niddrie. They put up their hands and said, 'We want to be self-managed schools'.

It seems strange that the government should put a line to the opposition about haves and have-nots. People in schools in some of the disadvantaged suburbs put up their hands for self-management of their schools. Consequently, they had the opportunity to take their schools forward. It is sad that those schools are taking a backward step.

I am proud to have had four self-governing schools in my electorate: after some deliberation Wooranna Park, Southern Cross and Berwick primary schools and Berwick Secondary College chose to move to the self-governing model. I commend the school councils on their decisions because they took the view that the move to the model would be of real benefit to their schools.

During their time of self-management the schools examined the programs they wished to implement and matters specific to their schools on which they wished to concentrate. With innovative thinking good things happened.

The Honourable Kaye Darveniza said only 51 schools made the move to self-governance. Not only has she left the chamber and is not listening to the debate, but she did not mention that the move of schools was halted by the October 1999 election. The new ideology came into force in Victoria, but on 4 November last year the minister announced in the *Age* that a ban on teacher employment would be imposed on self-governing schools. The *Age* article states:

Self-governing school councils will be barred from employing their own teachers from today, with the Bracks government ordering that teachers in all state government schools continue to be employed by the education department.

That announcement needed to be backed by legislation. The unfortunate situation has arisen between the November announcement and now that schools were forced to come forward and talk about the huge disadvantages that would befall their schools. I will not name any school in that position as I do not want to get it into trouble with a vindictive minister.

However, since November Victorians have read in the broadsheets that the programs that had been pursued by the self-governing schools would need to stop. Victorians read that a number of contracts let for the future would be in doubt; concerns were expressed about their funding. The broadsheets also carried stories about male and female teachers who had been employed under self-governing school contracts wondering what would happen to them.

In 1998 the then Labor opposition voted against the self-governing provisions being placed in the act. It suggested that much work needed to be done by school councils, but the councils gladly went into the program because they could see the benefits to their children in the form of educational outcomes. They were glad to do it. They enjoyed themselves and could see real benefits to be gained from the model.

The second criticism by the then opposition about the program was a supposed lack of educational benefits. I have already mentioned the programs that could have been undertaken in the school environment through the self-governing program: for example, speech pathologists and psychologists visited particular schools. In one school in my electorate a new program dealing with the arts was introduced. The kids enjoyed becoming involved in the self-governing schools program. The educational benefits that many opposition members have mentioned have now been pushed to one side.

The approximately 400 teachers who went onto contract agreements with their school councils are now being forced back into traditional employment situations. If they choose to do so, contract teachers who are employed for short periods may well end up with full-time employment at the expense of Victorian taxpayers because schools may not actually need to employ them on other than short-time bases.

In fact, the proposed legislation has already been implemented. The minister made the announcement in November, and we are only now considering the bill. The bill is all about sameness and mediocrity; it is concerned with the socialist philosophy of everything being the same. Life is not like that. When the Minister for Sport and Recreation walks out the back door of

Parliament House tonight he will have a long white car waiting for him. That is not the situation for backbenchers. It is a fact of life that one can aspire to do better.

School councils that have done the hard work, conducted the research, moved into the self-governing school model and achieved benefits for their young people are being pushed back further and further. Their position will revert to what it was in the past. The bill will not provide any better educational outcomes. There will be no winners. We will all be losers. Victorian students who have attended the 51 self-governing schools will be the losers. That is what the government is forcing on the state. For some reason, everything is meant to be the same. It is sad that as a result of that flawed philosophy we will end up with a sameness in the Victorian education system.

I suppose some key questions need to be asked. How will the bill improve educational outcomes? The answer is that it will not. Given that the Labor Party claims to support diversity, what is the justification for the bill? There is no justification. The bill is not about diversity — it is about sameness.

The former government undertook an extensive consultation process with the community on the self-governing school model. Has a similar consultation process been undertaken by the Bracks government about giving the self-governing model the flick through this bill? The answer is no, it has not.

Although the decision was announced in November last year, in April this year the house is discussing the dismantling of the self-governing school system without there having been any consultative process. The minister just made a decision and issued an edict. How is the enhanced school management model promoted in the minister's recent document any different from the self-governing school program? That point was well made by Mr Hall earlier. We are going backwards with this legislation.

The four schools in my electorate that entered into the self-governing model are dismayed at what the government is doing and has done without consultation. They are dismayed that the government is forcing the change upon them when they were doing some great things for the kids in their schools under the self-governing schools program. The bill is shameful. The government stands condemned for introducing it.

Hon. S. M. NGUYEN (Melbourne West) — I am delighted to have the opportunity of speaking in the debate on the Education Acts (Amendment) Bill today.

The bill is an important step by Labor in restoring public confidence in the education system.

The bill has two aims: to implement the government's education policy to abandon the self-governing schools program; and to retain the employment and industrial relations power in the Department of Education, Employment and Training. The main purposes of the bill are to revoke the special powers and functions given to certain school councils; to provide for the transfer of staff employed by those councils; and to make transitional provisions for other agreements and arrangements entered into by those school councils.

It is the beginning of the good news for state education in Victoria. Under the former Kennett government's policies 400 public schools were closed, 8000 teachers were sacked and funding in the country was cut to its lowest level. In addition, in the public sector there was a reduction in the number of public servants in health, education and so on.

The Labor government intends to change that situation. It was elected on the platform of restoring the people's confidence in the public sector and providing better education and health systems. The people of Victoria voted for Labor at the election, and now they will get a better, fairer and more accessible education system. The Bracks government believes state education is the right of everybody. It will ensure that students who want to come to the classroom to learn are able to do so, regardless of their parents' background — whether they are rich or poor, or from the west or the east. Education is about the future of our young people.

Under the former government education was better in some areas of Victoria than in others — for example, in the eastern suburbs of Melbourne many schools were better equipped and funded than those in the west. I have talked to many school councils, principals and parents in the west since the Kennett government was in power. They have told me that their amenities were cut and maintenance was very poor or was not undertaken properly. More money should have been spent on maintenance such as repairing leaking roofs and providing better desks, better kitchens and other facilities for every school.

Because the Kennett government undermined the state school system many people saw a big gap between private and public schools and so moved their children to private schools. The private schools had better funding, teachers and facilities, all features that encouraged parents to transfer their children to the private sector.

This bill represents an attempt by the Bracks government to provide a fairer education system to ensure all schools have the support staff they need to encourage disadvantaged students to stay at school longer. There have been problems in that area in state schools over the past four or five years. As honourable members would know, many young people left school at a very early age because there was a lack of welfare coordination and support staff to protect the students and encourage them to stay at school longer. Many failed to attend classes for several reasons, but if they were unable to attend because of illness, several schools did not have sufficient staff resources to follow up and make sure the students returned to and remained at school. Many young people had left school at 11 or 12 years of age. In Footscray one sees mainly young kids on the streets because they do not go to school — some may have left school four or five years ago, when they were very young. Now they are left with no hope and no future — they end up being the lemmings of society.

The policy now is to make the schools more fair and for them to provide more opportunity to encourage young students to stay longer at school. The teachers are committed to schools because they know the industrial relations are there to protect them.

Hon. C. A. Furletti — On a point of order, Mr Deputy President, I believe the President made two previous rulings on points of order as to the breadth of the debate on education and self-governing schools. I understand that by speaking about industrial relations and ideology the honourable member is going well beyond the scope of the debate. I ask that you direct the honourable member to return to the subject of the bill.

The DEPUTY PRESIDENT — Order! All members have been allowed reasonable latitude to build their cases. However, I uphold the point of order. I believe the honourable member has had enough latitude and I direct him back to the bill.

Hon. S. M. NGUYEN — On the point of order, Mr Deputy President, I am speaking on the — —

The DEPUTY PRESIDENT — Order! The point of order has been ruled on.

Hon. S. M. NGUYEN — I am talking about the public servants who are working for the education department. They are afforded more protection because they know the government is concerned about their welfare and will look after teachers better. There will be more funding to support teachers and to upgrade the

schools so the teachers can better teach the students and spend more time looking after them.

Hon. Andrew Brideson — That has nothing to do with the bill.

Hon. W. R. Baxter — Who wrote the speech for you?

Hon. S. M. NGUYEN — I wrote it myself.

Hon. C. A. Furletti — If you keep reading, I will take a point order on the fact that you are reading your speech.

Hon. S. M. NGUYEN — I am just looking to see what I was talking about. I would like to conclude because I have been told to be brief.

An Opposition Member — By your side?

Hon. S. M. NGUYEN — Your side, too. I want to talk about school councils. Many school councils are looking at the private sector and at small business rather than looking at the welfare of students. School councils should not operate that way. They should be elected from the parents and those with interests in the community who volunteer their time to go to the school to discuss what is best for the students. School councils are more interested in how to run businesses better and how to get more money for the school rather than talking about the school system.

In conclusion, I congratulate all the honourable members who support the bill. I think it is one of the best bills the Bracks government has produced. It represents one of three areas the government promised to improve — health, education and community safety.

Hon. P. A. KATSAMBANIS (Monash) — It is with great disappointment that I speak on the bill because it highlights for the people of Victoria the real difference between the new government and the previous government. The previous government was about empowering Victorians and giving them an opportunity not only to participate in a bright future but to help shape that future. The present government is about centralisation, control and denying people the right to their own destiny.

Unfortunately, the present government has chosen education as the means by which to highlight the great difference between the ideology of the Liberal and National parties and that of the Labor Party. I say ‘unfortunately’ because it is the education of the next generation of Victorians that will help guide Victoria to a brighter future. Destinies are shaped by the education

system. By its actions since it was elected to government, the Labor Party once again shows that it is not about encouraging excellence in education or allowing bright young people to grow and prosper. Rather, it is about creating an education system for the benefit of teacher unions.

For proof one need go no further than the first page of the second-reading speech. I will paraphrase it. The second-reading speech states clearly that the government was elected on an educational policy to abandon the self-governing schools program and to retain employment and industrial relations power in the Department of Education, Employment and Training. The bill is about industrial relations power. It is about giving power back to the trade union movement, to Mary Bluett and the teacher unions.

Hon. D. G. Hadden — On a point of order, Mr Deputy President, the honourable member is digressing from the purpose of the bill. During the contributions of other honourable members you, Sir, ruled that references to industrial relations were outside the scope of the bill.

Hon. P. A. KATSAMBANIS — On the point of order, Mr Deputy President, I take issue with the point of order. I was paraphrasing from the second-reading speech. If that is not the province of the bill, I do not know what is.

The DEPUTY PRESIDENT — Order! On the point of order, each honourable member who has spoken has had considerable leniency from the Chair in relation to his or her contribution. I think the Honourable Peter Katsambanis is also using that leniency. I suggest he comes back to the bill.

Hon. P. A. KATSAMBANIS — As I was saying, the bill is not about protecting the interests of Victorian students or their parents. By its actions tonight, the government is clearly showing that it is not about protecting the interests of Victorian schoolchildren but about protecting the interests of its mates in the trade union movement, specifically in the teacher unions.

The bill removes from schools that chose to become self-governing the opportunity to determine their own destinies. It brings them back to a centralised structure where the education department, the minister and the trade union movement direct them how to run their schools. The bill does not give schools flexibility; it controls them. In that way the trade unions can control the outcomes for their members.

Unfortunately, it proves once more that the government is not about governing for all Victorians. It has

forgotten the important maxim that schools do not run solely for the benefit of teachers but in partnership with the school community, which includes the teachers and, most importantly, the students and parents as well as members of the wider community. Unless schools include the input of parents and students and take into account the needs of students and parents when making decisions, they provide a second-rate education system.

If the government thinks there is an ideological divide between the Liberal Party and the Labor Party it should look at what some Labor parties are doing in other places.

Hon. T. C. Theophanous interjected.

Honourable members interjecting.

The ACTING PRESIDENT (Hon. P. R. Hall) — Order! There is too much interjection across the chamber and I ask members on both sides of the house to desist.

Hon. P. A. KATSAMBANIS — One should look at what Labor governments in other places are doing, specifically the initiatives being undertaken by the Blair Labour government in England. In a speech delivered on 6 January by the Rt Honourable David Blunkett, Secretary of State for Education and Employment entitled 'Raising aspirations in the 21st century' he states:

We wish to start by giving schools responsibility for improving themselves and in order to do this we need to delegate as much resources as possible to these schools.

The Blair government is about delegating more authority, not less, to schools. The Rt Honourable David Blunkett spoke about intervening in schools based on their lack of success, not intervening to guide a particular outcome.

I shall not take up the time of the house to highlight how governments in the United States of America, Canada and New Zealand have been adopting similar models to the self-governing schools model to empower school communities to provide education targeted for the benefit of the students. I have two self-governing schools in my province — the Port Phillip Specialist School and the Caulfield North Primary School. They are both excellent examples of what one can achieve when one allows schools, teachers, principals, students, parents and the broader community to fly when one does not clip their wings. Self-governing schools are all about empowering school communities throughout the state to guide their own destiny, to shoot for the stars and create a

top-quality education system, not to create an education system that aims for the lowest common denominator.

Unfortunately, parents, students, teachers and principals of Victoria will now have to suffer a period where education no longer aims for the stars to get the best out of the students and teachers and to use resources in the most efficient way but instead aims to create a system of mediocrity. Schoolchildren, who should be provided with support, will suffer as a result.

Other honourable members, such as Mr Hall, pointed out that the government's proposals for future self-management almost mirror the former government's self-governing schools bill. I am not certain whether the government will implement the provisions in the bill because it is beholden to the trade union movement. I know that between now and when the bill is enacted — since that hideous action of the education minister in October last year to stop self-governing schools from determining their own destinies — the education system in Victoria will go backwards.

Parents and students know that their schools should not be used to perform cruel ideological experiments for the benefit of teacher unions but should be established and continued for the benefit of all Victorian students. As one who went through the state school education system in the 1970s and early 1980s I am the beneficiary of a school system that was established to nurture learning, to support students and to bring out the best in students. That is what self-governing schools are about. I cannot wait for the day when that spirit of allowing students to grow and encouraging them to learn returns to the state and that the current prevailing dogma and doctrine of the teacher unions is once again crushed. Students and parents of Victoria will suffer as a result of the introduction of the bill. I cannot wait for the day when this illogical, ideologically driven bill is repealed.

Motion agreed to.

Read second time.

Committed.

Committee

Hon. T. C. THEOPHANOUS (Jika Jika) — Mr Chairman, I seek leave to sit at the table?

Hon. BILL FORWOOD (Templestowe) — Leave is refused.

Clauses 1 to 3 agreed to.

Clause 4

Hon. ANDREW BRIDESON (Waverley) — I refer to proposed section 15ZE. What reasonable steps will be taken to achieve its purpose, and will the minister give an assurance that the approximately 400 affected individuals will all receive their offer and within the time frame be able to respond?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — Meeting the purpose of proposed section 15ZE requires the following steps. The secretary must notify all relevant council staff about division 3B of the Education Act 1958. The division contains the provisions dealing with the transfer rights of relevant staff. Proposed section 15ZK states what can be done about the staff who decide not to transfer.

The relevant staff are those persons employed by councils of self-governing schools under section 15T of the Education Act 1958. As I have previously mentioned, the secretary when issuing the notice must also request expressions of interest from relevant staff wishing to transfer. Within 14 days of receiving that notice council staff who wish to receive an offer of transfer must so notify the secretary. The provision will be implemented by individual letters to each school council employee. As the honourable member mentioned, there are approximately 400 relevant employers.

The letters will not be sent during school holidays. A notice in *Education News* or some other public notice would not be sufficient as it may not come to the attention of all relevant staff. To ensure that staff wishing to transfer comply with the requirements of the act a pro forma reply will be sent to relevant staff for them to complete and return within 14 days. For those staff members who reply within the 14 days, the next section, proposed section 15ZF, requires the secretary to make an offer of transfer within the next 30 days, with details of the terms and conditions of employment that would apply to the employee, and to give the employee at least 28 days to accept the offer. Proposed section 15ZG entitles the employee to notify the secretary within the relevant period — that is, within at least 28 days, that he or she has elected to transfer.

Hon. ANDREW BRIDESON (Waverley) — I thank the minister for that response, which has clarified some issues in my mind. I would like to know one further thing regarding proposed section 15ZE. What would happen if somebody were on sick leave or long service leave? What if somebody were in hospital or overseas at that time? What allowances will be made for such situations?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that the notice will be hand delivered to those employees. They will have 14 days from that hand delivery. It will be personally delivered to that employee.

Hon. ANDREW BRIDESON (Waverley) — I asked what would happen if that person happened to be on holidays, say, interstate or overseas.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — If that were the case, it would not be hand delivered. It would have to be delivered when the person returned.

Hon. P. R. HALL (Gippsland) — I presume a hand delivery might be by way of registered mail or the like. Who would do the hand delivery? Perhaps using registered mail would be an appropriate way to ensure receipt.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised delivery will be by hand from the principal to the teacher.

Hon. P. R. HALL (Gippsland) — I thank the minister for that explanation.

I would like to ask a question about the next section inserted by clause 4, proposed section 15ZF, headed 'Secretary to make individual offers'. What is the situation in the case where an employee is on a short-term contract — for example, a computer technician on a three-month fixed contract at a school? Will that person on a fixed contract be offered a permanent place in the teaching service? If so, how will the government approach the issue of excess numbers in schools? If all of those short-term contractors were offered full-time positions, is it not true there would be a return to a situation of certain schools having excess teachers? Will the cost of carrying those excess teachers be borne in the long term by the schools?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that in the *Age* of 3 April the Minister for Education was quoted as replying to a similar question in the following manner:

Those staff, for instance an IT consultant on a short-term contract to install computer systems, would not be eligible for permanent tenure.

The department's position is that ongoing or permanent employment with the department will be offered to those council employees who hold positions if held longer than 12 months except in certain circumstances — for example, if the position is a genuine short-term position. If it is a genuine short-term

position — for example, a person filling in for someone on long service leave or someone on a three-month IT contract — that person would not be offered ongoing or permanent employment.

Hon. P. R. HALL (Gippsland) — I seek further clarification. That may mean a person holding a two-year contract position would therefore be offered permanent employment with the school, but anybody with less than a 12-month contract would not be offered a permanent position in the teaching service. Is that a correct interpretation?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that a two-year position is a genuine short-term position in that instance.

Hon. P. R. HALL (Gippsland) — Is it correct that a person on a contract for less than 12 months will not be offered a permanent position in the teaching service?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that if it is less than 12 months, in that instance it is a short-term position.

Hon. P. R. HALL (Gippsland) — And that person will not be offered a permanent contract?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — That is correct.

Hon. P. R. HALL (Gippsland) — In the latter part of my comments on the clause I asked about the cost of employing excess teachers being borne by the schools. Let us say a secondary self-governing school has half a dozen teachers on contract for long periods, covering people taking family leave and in subsequent years those other six teachers return from family leave. What will happen to the school's global budget when it is required to carry the cost of the six additional teachers who will become part of the school's permanent staff as a result of being offered permanent service with the department? Will the school's global budget have to wear the cost of those excess teachers?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised I am not in a position to reply.

Hon. P. R. HALL (Gippsland) — I do not understand that answer. The opposition is raising questions with genuine concern. Some 400 teachers are involved, and it is important to them to have an answer as their careers and livelihood are at stake. Opposition members seek some explanation.

I would be happy to ask a few other questions and come back to this matter before clause 4 is dealt with if the minister's advisers require further time to get an answer to that question. Opposition members want to know what effect the provisions will have on a school's global budget. It is important because an addition to the teaching staff at a school will be an extra cost to the school. We would like to know whether the school will be reimbursed for that additional cost. I am happy to move on and ask some other questions, but before we move from clause 4, I would like to return to this matter to see whether a more definitive answer can be given.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that under the transitional arrangements we would guarantee those contracts.

Hon. P. R. HALL (Gippsland) — So the government would guarantee extra funding to a school to ensure that it would not be out of pocket if it had teachers in excess as a result of teachers being offered permanent contracts? Is that what the minister is saying?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that that is correct.

Hon. D. McL. DAVIS (East Yarra) — Flowing on from that, Minister, I understood that somewhat differently and I was pleased to hear that clarification. I understood there would be no special funding, but you are saying that in certain situations additional funds may be available.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I believe I have answered that.

Hon. D. McL. DAVIS (East Yarra) — Will any industrial relations issues elsewhere flow on from that conclusion?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — As I am advised, not that we are aware of.

Hon. D. McL. DAVIS (East Yarra) — Minister, has any specific advice been sought on industrial relations issues that may flow from that conclusion?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — Not that I am aware of.

Hon. D. McL. DAVIS (East Yarra) — Is it the intention of the department and the minister to seek advice from the Minister for Industrial Relations on that matter?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that that would only be the case if a specific instance arose.

Hon. ANDREW BRIDESON (Waverley) — Quite a few teachers who are on over-award payments and who are employed by school councils may have financial commitments in the form of mortgages, personal loans and so on and may be embarrassed by having to elect to change their conditions of employment. Will the minister give undertakings that for a period — say, 3, 6 or 12 months or any period in between — such affected employees can either retain their current levels of pay and conditions or have the right to take up the offer at a later date?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that the answer is no.

Hon. P. R. HALL (Gippsland) — I refer to proposed section 15ZG and the issue raised by my colleague the Honourable Andrew Brideson. Does that mean that, for example, when a teacher is employed under a contract that varies the award rate being paid or the hours of work of that teacher — it is possible the person may not work the usual school hours to accommodate things such as caring for children — when that person returns to the permanent teaching service the flexibility he or she has had in either an over-award or under-award rate of pay and hours of work will no longer be available?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that you transfer the teaching conditions of your employment. The effect of that is that the employees of school councils who have employment contracts giving them excessive leave entitlements cannot keep those excessive leave entitlements on transfer to the teaching service. Accrued leave entitlements on transfer can only be as much as a person would have been entitled to if employed in the teaching service.

Hon. P. R. HALL (Gippsland) — Particular schools in remote areas in my electorate may choose to make over-award payments to attract teachers to the schools. That may well apply in Mildura, for example; I am not sure whether it does. A self-governing school may choose to pay an over-award payment to attract to the school a particular teacher it needs. Does that mean that in transferring from school-based contract employment to centralised employment that person would lose all his or her over-award payments?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised the answer is yes.

Hon. P. R. HALL (Gippsland) — At this point I want to register that the opposition considers that a very retrograde measure. It removes the flexibility that self-governing schools had both in attracting teachers and in providing variations to accommodate the personal needs of teachers. I make a point of registering the opposition's disappointment that that provision applies.

Hon. D. McL. DAVIS (East Yarra) — I want to follow up some comments I made on clause 4, which relates to proposed section 15ZG. I want to be clear that what the minister has just explained to the Honourable Peter Hall about the election to transfer complies in all respects with the federal Employee Relations Act.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that unless Mr Davis is referring to a specific provision, we believe it does.

Hon. D. McL. DAVIS (East Yarra) — Does the department have specific advice to that effect?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that I should remind Mr Davis that the transfers are optional; they are not compulsory.

Hon. D. McL. DAVIS (East Yarra) — While they are optional the conditions of employment will change. An employee who has applied for a certain job under certain conditions and had the conditions changed by Parliament may elect to transfer. Will that give rise to any obligations on either the school involved or the department under the Employee Relations Act?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that the answer is no.

Hon. D. McL. DAVIS (East Yarra) — Is the minister indicating that the department has some advice to that effect?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I have just spoken to the principal legal officer of the department. I hope that answers your inquiry.

Hon. D. McL. DAVIS (East Yarra) — Is the legal officer an expert in this area of the law?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that he is. He is often engaged in these issues of law.

Hon. P. R. HALL (Gippsland) — I refer the committee to proposed section 15ZH and ask two questions. Subsection (1) states:

The Secretary, by notice in writing to a school council employee who has elected to transfer in accordance with section 15ZG, may transfer that employee ...

Do the words ‘may transfer’ mean there may be circumstances under which the secretary would not accept the transfer of a teacher to the teaching service, and if so, what would those circumstances be?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that those employees who seek to be transferred will be transferred.

Hon. P. R. HALL (Gippsland) — I seek clarification. The minister says that he expects they will be transferred. Why does not the proposed subsection state ‘will transfer’ rather than ‘may transfer’? I ask the minister to give the committee an assurance that all teachers with a 12-month contract, or extended contract, who are offered employment in the teaching service will be transferred. I also ask the minister to indicate how a teacher will be notified that he or she has been transferred. Will notification be by registered mail, letter or by hand-delivered letter, as occurs with principals?

Hon. T. C. THEOPHANOUS (Jika Jika) — I have been listening to the debate with some interest. It appears that some honourable members have not read the bill. I ask the committee to compare proposed section 15ZH with proposed section 15ZG. Proposed section 15ZH(1) states:

The Secretary, by notice in writing to a school council employee who has elected to transfer in accordance with section 15ZG, may transfer that employee ...

The provision then specifies how that transfer can occur. Honourable members should read proposed section 15ZH with proposed section 15ZG. Proposed section 15ZG(1) states:

A school council employee who has received an offer of employment under section 15ZF may elect to transfer to that employment by notifying the Secretary in writing of his or her election to transfer ...

The provision is clear. The employee has the right to elect to transfer and all the secretary does under proposed section 15ZH is transfer the employee. There are no doubts as to the rights of employees to transfer or to take up the options as specified in proposed section 15ZG. Opposition members are picking out different provisions without reading the bill in its

entirety. The rights of employees are set out clearly in the bill.

Hon. P. R. HALL (Gippsland) — I have read the bill and my question stands. Why does proposed section 15ZH not say ‘will transfer’? I seek the minister’s assurance on that issue. I ask the minister to put on the record that a teacher eligible for transfer will be transferred. I also ask the minister to indicate how notice of transfer will be given to the teacher.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — The government gives an assurance that all employees seeking a transfer will be transferred. As to how teachers will be notified, I am advised they will be notified by hand-delivered letter from the principal or by registered mail.

Hon. B. C. BOARDMAN (Chelsea) — I refer the committee to proposed section 15ZN(1), which states:

A school council that had become a member of a partnership or association or entered into a joint venture under and in accordance with section 15X ... may continue to exercise its powers under that section ...

Proposed subsection (2) states:

A school council that had become or purported to become a member of a partnership or association or had entered into a joint venture under section 15X ... does not have power to extend the term of operation of the partnership, association or joint venture.

The proposed subsections appear to be in conflict with each other. I ask the minister to outline the arrangements that have been made for the continuation of those partnerships, associations and joint ventures.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that proposed subsection (2) overrides any possibility of extending the contract.

Hon. B. C. BOARDMAN (Chelsea) — That makes it completely confusing for the reasons I outlined in my previous question. As a supplementary question, if the contract has a right of extension, as many contracts and partnerships do, will that right of extension be honoured?

Hon. T. C. THEOPHANOUS (Jika Jika) — I again raise the point that opposition members appear not to be reading the legislation, and certainly not reading the statement of agreed principles, which makes those points very clear. I quote from the agreed principles, which I take it the honourable member has read. Point 7 of the agreed principles states:

Existing individual school specialist technology support arrangements can continue for the duration of the contract entered into ... provided that the contracts are not extended.

It is clear that the contracts cannot be extended. That has been the subject of debate in the chamber, and it is clear also in the two subsections the honourable member referred to. He should simply read the bill.

Hon. B. C. BOARDMAN (Chelsea) — I totally accept that. I refer the minister to proposed section 15ZN, which refers to the continuation of certain partnerships, associations and joint ventures. Why does one provision allow for continuation that is then contradicted by subsequent provisions?

Hon. T. C. THEOPHANOUS (Jika Jika) — The agreed principles refer to continuing to exercise its powers but not to extending the terms of the contract. It is very simple.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that proposed subsection (2) does not allow for the extension of the contract and thereby overrides any opportunity to extend that contract.

Hon. B. C. BOARDMAN (Chelsea) — I want to consider the issue practically, and I will use as an example the Karingal Park Secondary College in my electorate. The college is a school of excellence in athletics and has a partnership with Kea Sportswear; it is a sponsorship agreement. I would like the minister to explain whether that partnership will be jeopardised by the provision.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that without seeing the detail of that contract I could not comment on that example. However, if there is a clause with the intention or possibility of extending the contract or an option, proposed subsection (2) would override that extension or that option.

Hon. B. C. BOARDMAN (Chelsea) — In that case, who indemnifies the school against legal action in the event of a breach of that contract?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that in a situation of that nature an option would be taken up by both parties, so there would be no ground for that sort of situation.

Hon. ANDREW BRIDESON (Waverley) — I seek clarification on proposed section 15ZI(1)(c). Does this provision mean that over-award leave negotiated under a school council contract will also be transferred across — for example, 20 days sick leave instead of 10,

or 8 weeks annual leave instead of 4, and if not why not? Will teachers be informed if their award and flexible leave arrangements will be carried across or will they have to find that out for themselves in some way?

The CHAIRMAN — Order! Before the minister answers the question, I ask honourable members to keep their questions in sequence, which will ensure a more orderly process.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I will clarify proposed section 15ZI for the honourable member. Proposed section 15ZI deals with the transfer of the council's teaching staff and principal to the teaching service under the Teaching Service Act. The proposed section provides that on the date on which the transfer is effective (a) the employee ceases to be employed by the council; (b) the employee is transferred to the teaching service; (c) the employee is entitled to accrued leave to the same extent as if his or her former employment under section 15T had been employment under the Teaching Service Act; and (d) for the purposes of the State Superannuation Act and the Teaching Service Act the former employment of a person under section 15T is to be regarded as being continuous with the service of the person in the teaching service.

The effect of (c) is that the council employees who have employment contracts giving them excessive leave entitlements cannot keep those excessive leave entitlements on transfer to the teaching service. Under (c) accrued leave entitlements on transfer can only be as much as a person would have been entitled to in the teaching service.

The main purpose of proposed subsection (2), which I have referred to as (d), is to ensure that the council-employed teachers and principals in the revised and new superannuation schemes continue to receive all the benefits of those schemes if they transfer to the teaching service. That largely repeats what is already in section 15ZC of the Education Act and is here because of an abundance of caution.

Hon. ANDREW BRIDESON (Waverley) — I seek further clarification. Will teachers who will be affected by the loss of conditions be informed or will they find out via the grapevine?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that they will be informed because the secretary will have to notify them of their entitlements.

Hon. P. R. HALL (Gippsland) — I turn to proposed section 15ZK and ask two questions about staff who elect not to transfer to the permanent teaching service. The first question relates to the cost to the school when the school is an employer. Obviously the school must perform a number of employer-related functions, such as payroll functions, superannuation, income tax, human resources management and so on. If a school retains staff who elect not to return to the permanent teaching service, the school will still be required to perform those employer functions. Is the department prepared to assist in a financial or advisory way in helping the school cope with those responsibilities?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised the answer is yes.

Hon. P. R. HALL (Gippsland) — My final concern is to seek assurances from the minister that if a teacher elects not to transfer, the prospects for his or her future employment with any other school in the state would not be jeopardised — that is, at the expiration of his or her school-based contract he or she becomes a free agent and, I gather, would have the right to apply for any teacher vacancy in any part of the state. The opposition would like an assurance that teachers would be able to do that, and that no teacher would be discriminated against for not returning to the teaching service in the first instance.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that, yes, of course they can.

Clause agreed to; clause 5 agreed to.

Reported to house without amendment.

Report adopted.

Third reading

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I move:

That this bill be now read a third time.

I thank honourable members of the opposition who have contributed to the debate: the Honourables Andrew Brideson, Peter Hall, Barry Bishop and Neil Lucas. Of course I also thank government members who contributed: the Honourables Theo Theophanous, Elaine Carbinas, Kaye Darveniza and Sang Nguyen.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

BUSINESS OF THE HOUSE

Adjournment

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

That the Council, at its rising, adjourn until Tuesday, 2 May.

Motion agreed to.

ADJOURNMENT

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

That the house do now adjourn.

Chronic fatigue syndrome

Hon. N. B. LUCAS (Eumemmerring) — I direct a matter to the attention of the Minister for Industrial Relations for the attention of the Minister for Health in the other place. On 12 May people around the world will undertake activities to recognise International Chronic Fatigue Syndrome Day. CFS, or myalgic encephalomyelitis (ME), is a difficult disease to diagnose. Between 40 000 and 130 000 Australians, including at least 12 000 Victorians, suffer from it. The consequent economic cost to Australia could be \$414 million each year. Because it is difficult to correlate specific information about the disease, given the difficulty inherent in diagnosing it in the people who suffer from it, it is treated at only a secondary level in the provision of research funds.

I first raised this issue in the house in 1997. At the time I mentioned an acquaintance who had been suffering from the disease for five years. The good news is that the person is now able to work part time, having now suffered from CFS for seven and a half years. In 1998 I again raised the matter. The former Minister for Health, the Honourable Rob Knowles, participated in the launch of ME Day in 1998.

The ME–CFS Society, the organisation that supports people suffering from CFS, is putting to members of all Australian parliaments a proposal to gain funding for research into the disease and has identified four opportunities for funding support. The first is through the establishment of a CFS national patient register. That concept involves the systematic monitoring of as

many patients as possible to assist research for cause and cure. Clearly a national register is the preferred option. Victoria can lead the way. The Victorian society of more than 1000 members, many of whom are affected by CFS, provides support services. It is entirely dependent on volunteers.

The second project is to provide funding for the employment of permanent staff. The third and fourth potential projects involve the funding of a support line and telelink projects that the society would be keen to operate.

Accordingly, I ask the minister to consider the provision of funding for the ongoing operation and programs of the ME-CFS Society and the establishment of a chronic fatigue syndrome national project register that would be a key vehicle to assist research into the disease.

Shell Corio refinery

Hon. E. C. CARBINES (Geelong) — I direct to the attention of the Minister for Industrial Relations, as the representative in this house of the Minister for Workcover in the other place, a serious incident that occurred in my electorate earlier this week at the Shell Corio refinery. It involved a 26 000-litre fuel spill at the refinery. That occurred following a spill of 29 000 litres of fuel in February. At the time of this week's spillage no warning alarm was sounded to alert workers to the safety risk because of the spill. The failure to sound the alarm placed the Shell workers at risk and the potential for a disaster was increased. I ask the minister to raise the issue with the Minister for Workcover and advise the house accordingly.

Taxis: rural fares

Hon. K. M. SMITH (South Eastern) — I direct to the attention of the Minister for Energy and Resources, who represents the Minister for Transport in the other place, a serious concern I have about the viability of rural and regional taxi services. The minister may well be aware that taxi services in rural Victoria are suffering badly at the moment. I ask him to review the possibility of establishing a differential rate between rural and metropolitan taxi services.

Across Victoria taxi charges are the same wherever one travels. Victorian taxi fares are the lowest in Australia, yet in the past few years services in this state have been upgraded to become the best in Australia.

In rural and regional Victoria fuel, whether it be gas or petrol, is considerably more expensive. Rural taxis last longer than metropolitan taxis. They are subject to the

same inspection regime as metropolitan taxis, under which inspections are conducted on a sliding scale relating to the age of the vehicle, not so much the mileage. A taxi in the metropolitan area may do between 700 000 and 800 000 kilometres over five or six years, whereas a taxi in rural areas may do between 200 000 and 300 000 kilometres, yet they are subjected to inspections every three months, which is very frequent.

Will the minister review the taxi fares in rural as well as metropolitan Melbourne — they should be reviewed — and try to develop a differential fare system and structure for rural and regional Victoria, taking into account fuel prices, the cost of repairs, trip journeys, and also the age of the vehicle?

Hospitals: western suburbs

Hon. S. M. NGUYEN (Melbourne West) — I raise with the Minister for Industrial Relations, as the representative in this place of the Minister for Health, funding for hospitals in Melbourne's west. As honourable members are aware, the state health system is recovering from the legacy of the slash-and-burn policies of the former Kennett government, which closed more than 1000 hospital beds.

The recent announcement of the allocation of \$26 million for an extra 360 beds is a great boost for the system. In line with that, I ask the minister to advise how the residents in Melbourne's western suburbs will benefit from this increase in hospital bed numbers.

Port Phillip Bay: radar system

Hon. G. R. CRAIGE (Central Highlands) — I raise for the attention of the Minister for Ports the general issue that was raised earlier today by the Honourable Roger Hallam relating to vessel safety and the Port Phillip sea pilots.

As most honourable members would know, the Victorian Channels Authority built and located itself in a brand-new tower on South Wharf, and that facility includes a state-of-the-art radar system. The radar system is used specifically for monitoring and is not used directly for ensuring the safety of vessels in Port Phillip Bay. The radar equipment can never be used to its full potential unless the Port Phillip sea pilots have access to the radar system. However, the Victorian Channels Authority has denied the Port Phillip sea pilots access to this new technology. Not only that, but it has downgraded the radar system used by the sea pilots so they have no ability to use or network with the new radar system.

So that safety in Port Phillip Bay can be assured, will the minister make the equipment, particularly the state-of-the-art radar equipment, available to the Port Phillip sea pilots?

Middle Park beach

Hon. ANDREA COOTE (Monash) — I raise with the Minister for Energy and Resources, for the attention of the Minister for Environment and Conservation in another place, an issue concerning the Middle Park beach in my electorate. It is a spectacular beach.

Hon. B. C. Boardman — Is that on Kerferd Road?

Hon. ANDREA COOTE — No, a bit further along. Come and visit!

Recently a lot of damage was done to the beach, and 10 metres of sand along the 300-metre beach disappeared last summer. It is thought that perhaps that was due to the breakwater in St Kilda harbour that was designed for the 1956 Olympics, or perhaps the huge storm in December last year. Not so long ago the former government confronted a similar issue. Sandridge beach at Port Melbourne was in need of repair and the former Kennett government contributed \$2.4 million to dredge the sand and refurbish the beach. According to the new mayor of the City of Port Phillip, the refurbishment of Middle Park beach will cost in the vicinity of \$500 000 and may involve installing a new groyne and depositing sand on the beach.

Will the minister assure the residents of and tourists to Middle Park beach that the Bracks government will fund the refurbishment of this excellent Middle Park beach?

Scoresby freeway

Hon. W. I. SMITH (Silvan) — I direct to the attention of the Minister for Energy and Resources, who is the representative in this house of the Minister for Transport, the 1 March newsletter of the Public Transport Users Association which refers to a campaign for improved public transport in Melbourne's outer east that was initiated by rejecting the Scoresby freeway. The newsletter states:

The new government is committed to producing a proper transport plan, with community input, for the outer east region. It has already taken the first logical step in shelving the [Scoresby] freeway, the need for which has not been demonstrated and which would have created more transport and environmental problems than it purported to solve.

The newsletter says that instead of going ahead with the Scoresby freeway the government would start a

campaign of improved public transport in Melbourne's outer east.

I ask whether the Minister for Transport agrees with the view expressed in that newsletter of the Public Transport Users Association that the government's ditching of support for the Scoresby freeway is the first step in implementing the association's policy?

Rural Victoria: leadership programs

Hon. E. J. POWELL (North Eastern) — I raise a matter for the attention of the Minister for Energy and Resources, who is the representative in this place of the Minister for State and Regional Development. On Monday night I attended a public meeting at the Centre of Public Policy at the University of Melbourne. Also in attendance were the Honourables Barry Bishop, Bill Forwood and Glenyys Romanes.

The topic titled 'Rural and regional Victoria — decline or revival?' was important for rural Victoria. The guest speakers were Peter Ryan, the shadow minister for rural development; Mr Peter Walsh, the president of the Victorian Farmers Federation; and Cr Liz Johnston, the representative of the Municipal Association of Victoria.

As honourable members can imagine, there was wide-ranging debate dealing with all sorts of issues affecting Victoria. One point that came out of the debate was the importance of leadership in country Victoria. That was borne out by a number of consultations by the former government which identified leadership as a major issue in country Victoria. Five rural and regional forums comprising community leaders were formed across country Victoria to consider issues that were important to the country. One of the priorities was the need for leadership in country Victoria. The Women's Action Plan Consultative Committee was set up by former Minister for Women's Affairs, the Honourable Jan Wade. Thirty-five public forums were held right across Victoria, 5000 copies of the draft plan were distributed and public comment was sought and given. It was a very consultative process.

People in country Victoria expressed the need for greater access to leadership training and skills development in their own communities. After this extensive community consultation, the rural and regional leadership program was developed. The former Kennett government committed an ongoing allocation of \$3 million annually to the program because it was so sure that it was absolutely needed in country Victoria. The program was designed to develop people's potential, identify future leaders, and provide

participants with the skills to inspire, motivate and influence others. The programs that were already established in my electorate are the Fairley Leadership program, which has been going for some four years, and the Alpine Leadership program, which is quite new and has been going for only about a year. The former government was having discussions with the service providers on leadership. I was interested to read the Labor Party's New Solutions policy.

The PRESIDENT — Order! Will the honourable member put the question?

Hon. E. J. POWELL — I found no leadership initiatives at all in the document. The word 'leadership' does not even enter into it.

I ask the minister, given the importance of investing in human capital in country Victoria and developing rural communities to their full potential, whether she will continue with the Rural and Regional Leadership program and match or increase the former government's commitment of \$3 million per year ongoing funding.

Minister for Small business: correspondence

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — In question time yesterday the Honourable Bill Forwood asked the Minister for Small Business a question about the circumstances surrounding the resignation of Mr Mark Brennan as the executive director of small business and regulation reform. In her response the minister indicated that the Department of State and Regional Development had been restructured to ensure that small business could access the programs available to it. The minister also indicated that restructure gave her more influence in the department to ensure that the needs of small business were responded to.

On 28 February I wrote to the minister on the issue of the revitalisation of retail business in Dandenong. I have spoken on that issue in the house previously. In the letter I sought from the minister an explanation of the forms of assistance her department is able to make available to small business in Dandenong. I also requested a meeting between the minister and retailers in Dandenong.

On 7 March I received a standard response from the minister's office stating that the letter had been received and that the question would be dealt with in due course. It is now some six weeks since I wrote to the minister's office. Given that yesterday she said she was concerned about small business being able to access the programs available from her department, I again ask the minister

to please inform my office of what those programs are and whether she will agree to meet with the Dandenong retailers.

Employment Advocate: report

Hon. B. C. BOARDMAN (Chelsea) — I refer the Minister for Industrial Relations to the report of the Office of the Employment Advocate on the Australian workplace agreements in the Victorian public sector. The report was commissioned by the previous government, which intended to release it publicly. This is the fourth time I have had to raise the issue with the minister because on each previous occasion she has been irresponsible in her response.

On the first occasion I asked her why she had not released the report. She stated she had not seen it. She said, 'It is not in my office'. The second occasion was a request for the minister to release the report publicly and once again the minister said she had not sighted it. On the third occasion, in question time today, I asked her why, since the report was in her department, she would not release it. Once again she stated she had not seen it. The opposition accepts that the report is not in the minister's office, but it is in her department. Has the minister therefore sought to obtain the report from her department?

Minister for Industrial Relations: education bill

Hon. D. McL. DAVIS (East Yarra) — I direct my question to the Minister for Industrial Relations.

Hon. T. C. Theophanous interjected.

Hon. D. McL. DAVIS — No, Mr Theophanous, it is not the same question. The house has just sat through the debate on the Education Acts (Amendment) Bill. Honourable members have heard a number of assurances from the government and a number of points about advice the department sought about the provisions in the bill. In light of the assurances provided by the government will the Minister for Industrial Relations now confirm to the house that she was not formally consulted by the Minister for Education before the bill went to cabinet?

GST: small business

Hon. BILL FORWOOD (Templestowe) — I ask the Minister for Small Business whether it is a fact that despite her continual touting for business in the period 1 August 1999 to 29 February 2000 her department received considerably fewer than two telephone inquiries per day on average on goods and services tax issues and that the calls received were inquiries and not

complaints. I ask why she is attempting to create a climate of crisis when her own departmental statistics prove that one does not exist.

Snowy River

Hon. E. G. STONEY (Central Highlands) — I seek the assistance of the Minister for Energy and Resources. In question time yesterday in the other place, when answering a question on environmental flows down the Snowy, and with the agreement of New South Wales, the Premier admitted that the timetable had slipped. Given that the minister is responsible for the Snowy negotiations, will she please explain why the timetable has slipped and why the Premier referred to that as being of some concern?

Australasian Public Sector Games

Hon. I. J. COVER (Geelong) — I raise a question with the Minister for Sport and Recreation. After his efforts earlier tonight he might have hoped he would not have anything raised with him during the adjournment debate, but the opposition could not allow that to occur.

The matter I raise for the minister's attention relates to the bipartisan approach that should be taken to sport and the challenges it throws up. By way of example I refer to the front page of yesterday's Frankston–Hastings *Independent*.

Hon. T. C. Theophanous interjected.

Hon. I. J. COVER — Earlier Mr Theophanous called for the *Independent* to be mentioned this evening, and I am doing so for his benefit. Yesterday's front page — I know modesty prevents Mr Boardman from referring to it himself — carries a large photograph and an article headed 'World cycling spectacle'. The article informs us that this year's Vichealth Herald Sun Tour will be racing around Frankston and that the inclusion of Frankston in the bike race four days after the Sydney Olympics follows two years of negotiations between race organisers and Mr Cameron Boardman, a member of Parliament for Chelsea Province. It states:

'This is fantastic news for Frankston', Mr Boardman, chairman of a Vichealth committee said.

Hon. T. C. Theophanous interjected.

Hon. I. J. COVER — I will take up the interjection, Mr Theophanous, because I am not as modest as Mr Boardman. The event was held in Geelong for two days last year following representations by me.

However, it is great to see it is being held on both sides of the bay this year.

Topping off the story about the success of Mr Boardman's negotiations in getting the Vichealth Herald Sun Tour to Frankston there is a photograph of Mr Boardman on a bike wearing a helmet, alongside Mark Conroy, who from what I heard in Parliament last week also happens to be the newfound and ego-driven mayor of Frankston. Mr Bob Smith's electorate office is in Frankston, but sadly Mr Smith is not in the chamber tonight to welcome Mr Boardman's success.

The point is that this bipartisan approach to sport — getting the mayor of Frankston and Liberal member Mr Boardman on the front page of the Frankston–Hastings *Independent* — should be applied in the same way by the minister in taking up the challenge of Mr Boardman to assemble a Labor team for the swimming events in the Australasian Public Sector Games, which are being held from 28 April in Melbourne.

Hon. T. C. Theophanous — What is this to do with government administration?

Hon. I. J. COVER — By the time the house resumes the event will be over. We need an answer from the minister at this last opportunity before the games are held in Melbourne as to his success or otherwise in assembling a Labor team to take up a Liberal challenge and participate.

Responses

Hon. M. M. GOULD (Minister for Industrial Relations) — The Honourable Neil Lucas raised a matter for the attention of the Minister for Health about funding for chronic fatigue syndrome. I know a lot about chronic fatigue syndrome because my stepmother suffered from it for 15 years. I understand the issues the honourable member raised. I shall pass on the matter to the Minister for Health for his consideration. I know the honourable member has raised the matter on a number of occasions and is committed to it. I also know how long it takes to diagnose the disease.

The Honourable Elaine Carbines raised a matter for the attention of the Minister for Workcover about the problem of the warning alarm failing to go off at the Shell refinery earlier this week. I shall ask the minister to respond in the normal manner.

The Honourable Sang Nguyen raised a matter for the attention of the Minister for Health about the allocation of hospital beds in the western suburbs. I shall ask the minister to respond in the usual manner.

The Honourable Cameron Boardman asked about the report of the Office of the Employment Advocate on Australian workplace agreements in the Victorian public sector. I have asked my department to look for it.

The Honourable David Davis asked about my involvement with the Education Act (Amendment) Bill, which was debated in the house earlier today. The government's commitment on self-governing schools was clear during the election campaign last year. I was consulted when the minister first broached the question of drafting of the bill.

Hon. C. C. BROAD (Minister for Energy and Resources) — The Honourable Ken Smith requested that the Minister for Transport conduct a review of metropolitan and rural taxi services, taking into account a number of factors, including petrol prices in rural and regional Victoria. I shall pass on the request to the minister.

The Honourable Geoff Craige requested me to ensure that equipment installed in the new Victorian Channels Authority management centre is made available to the Port Phillip sea pilots. The matter was raised earlier today by Mr Hallam. As I said earlier today, I will be most interested to examine the matter. Having visited both the sea pilots and the Victorian Channels Authority, I will be keen to pursue the matter.

The Honourable Andrea Coote requested that the Minister for Environment and Conservation provide funds for refurbishment of the Middle Park beach. I shall refer the matter to the minister.

The Honourable Wendy Smith asked if the Minister for Transport agrees with the views of the Transport Users Association about the Scoresby freeway as indicated in its newsletter. I shall refer the matter to the minister.

The Honourable Jeanette Powell asked whether the Minister for State and Regional Development will continue funding of the rural and regional leadership program and increase support for it. I shall refer that to the minister.

The Honourable Graeme Stoney referred to statements made by the Premier yesterday during questions without notice about the timetable for negotiations of the Snowy River. Without quoting the Premier, he said that although the timetable for negotiations had slipped there had been enormous progress with the New South Wales position. He said the reason for the delay in negotiations is because the Victorian government is not satisfied or happy with the outcomes as they stand, and that the government, and particularly me as the minister who is charged with responsibility for the negotiations

and who welcomes support from time to time from the Premier, will continue with those negotiations until a result is obtained that accords with the objectives of the Victorian government.

Hon. M. R. THOMSON (Minister for Small Business) — The Honourable Gordon Rich-Phillips asked about the Hub in Dandenong and referred to correspondence with me about meeting with the retailers in the Hub. I understand departments leased properties inside the Hub and have now moved out. I understand there are issues about strata title and other matters. Originally the question was about the Street Life program funding. The honourable member will receive correspondence from me shortly about catching up and meeting with the retailers in the Hub.

The Honourable Bill Forwood asked how many complaints about the goods and services tax (GST) had been received by the Office of Fair Trading and Business Affairs between 1 August 1999 and 29 February 2000. He suggested it was averaging two telephone calls or less. He would also be aware from the statistics he received that complaints are on the increase, although I would say that is gradual.

Following a recent meeting in Melbourne of fair trading officers from around the country and officers from the Australian Competition and Consumer Commission the expectation is that complaints will increase. I have spoken in this place about the number of complaints increasing after the introduction of the GST. I cannot help but believe that if that is the stand taken by officers around the country, and the ACCC is increasing its staff to deal with the complaints, that the figures are correct.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — The Honourable Ian Cover directed my attention to the active lifestyle of the Honourable Cameron Boardman and the fact that when engaging in exercise he wears a helmet. He also directed my attention to his false modesty. Because of the hectic schedules of my colleagues, it is unlikely they will find the opportunity to break their commitments. The intrinsic value and benefit of exercise is that it is long term; it is not necessarily the competition that is important! I am heartened to see a number of opposition members engaging in the pursuit of exercise and recreation.

Motion agreed to.

House adjourned at 11.50 p.m. until Tuesday, 2 May.

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