PARLIAMENT OF VICTORIA

PARLIAMENTARY DEBATES (HANSARD)

LEGISLATIVE COUNCIL

FIFTY-FOURTH PARLIAMENT

FIRST SESSION

25 May 2000

(extract from Book 8)

Internet: www.parliament.vic.gov.au/downloadhansard

By authority of the Victorian Government Printer

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Thursday, 25 May 2000

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

PAPER

Laid on table by Clerk:

Statutory Rule under the Electricity Safety Act — No. 31

MURRAY–DARLING BASIN COMMISSION

Annual report

Hon. D. McL. DAVIS (East Yarra) — I move:

That the Council take note of the report of the Murray–Darling Basin Commission for the year 1998–99.

It is with pleasure that I take note of the report of the Murray–Darling Basin Commission for 1998–99. I do so in the context of the growing importance of land and water management in our society, throughout both Victoria and Australia. Honourable members will agree that the Murray–Darling Basin Commission is an important body. It has the role of managing the most extensive water system in Australia. The basin covers agriculture and land use in parts of South Australia, Victoria, New South Wales and Queensland. The commission has government representatives on it and reports to the parliaments of those states. It has a central role in setting out the way we manage cooperatively the water resources and the basin of the Murray–Darling river systems. If we want a high quality of life for the residents of country Victoria and Australia — and also to improve on it — we must ensure that the management of those resources is effective and efficient. The government must ensure that our soil and water is properly managed so that food and fibre production is maximised and country Victoria is assisted in looking after itself in the best possible way.

I turn to the annual report of the commission and note a number of aspects set out in the report. All governments involved in the commission have an ongoing commitment to maintain a cap on water diversion. I note the 207 important natural resource management plans in operation. I note the importance of the salinity audit for the basin, the work being done on salinity by the commission and various government departments and private sector organisations in the basin and the projects undertaken to control salinity. I note the attempt to improve the system of water trading and the importance of maintaining and upgrading the catchments and storages in the basin. Some storages such as the Hume Weir are old in historical terms and require significant money spent on maintenance. The commission has maintained the assets under its management effectively, and I complement it for that.

Other issues overlay water and soil management. The report refers to the cultural values of Lake Victoria and similar sites. It is important to recognise and balance those cultural values against the need to manage water and soil as the commission does. I place on the record the significant amount of money contributed by all governments but in particular by the federal government from the National Heritage Trust, which was funded from the sale of the first tranche of Telstra. That money has played an important role in giving the commission the ability to extend its management practices and undertake a range of innovative and important projects.

In the context of the annual report and the importance of water management, I notice the difficulties parts of Victoria and South Australia are experiencing. Honourable members have seen recent pictures in newspapers of Lake Eildon and those who visit country Victoria have seen the state of our storages. The rainfall has not been as adequate as it could be. The mouth of the Murray River in South Australia has almost closed. There is no more stark demonstration of the importance of water to our society and to rural Victoria and rural South Australia than that graphic demonstration of scarcity. We must manage our water resources in a way that allocates them efficiently and responsibly.

I am pleased to have moved that the house take note of the annual report of the Murray–Darling Basin Commission. I compliment the body on its ongoing work. I note that recently the house, and members of society, have extensively discussed the need for water diversions and the management of water not only in the Murray–Darling Basin but also in other river systems. In the context of the commission's exemplary management and steps taken by it, it is important that other water management and catchment systems that interact with the systems of both rivers do not impact negatively on the Murray–Darling complex and place undue financial or environmental stress on those river systems.

Honourable members will understand that whatever compromises are hammered out as various processes take place, the work of the Murray–Darling Basin Commission must be able to be undertaken well. That great river system is of historical significance to Victorians. Changes in other catchments must not be allowed to impact too heavily on the Murray–Darling Basin and its waterways. It is with pleasure that I have

moved the motion, and I am sure that both sides of the house will agree with most aspects of the report.

Hon. G. W. JENNINGS (Melbourne) — I am happy to join the debate in taking note of the important report of the Murray–Darling Basin Commission. I recognise the role that the commission has played in exemplifying cooperative relationships between state and federal administrations. It was one of the first effective models of the new federalism that applied from the late 1980s into the early 1990s. It has been a useful model for other cross-jurisdictional initiatives.

The commission has dealt with, in this case, the environmental, social and economic impacts of an important river catchment system. The role played by Victoria has been significant. I note the report was signed off by the acting president of the commission, who is a former secretary of the Victorian Department of Natural Resources and Environment. That demonstrates the important role Victorians play within the authority and the appropriate level of federal responsibility the state has assumed.

I briefly draw the attention of the house to the overview and features of the report. I commence with the environmental assessment. A key feature of the report is the reference to fluctuations of environmental circumstances from one end of the catchment to the other. As is the wont of the Australian environment, the Darling River system flooded in late winter and early spring, whereas the Murray River catchment system was subjected to below-average environmental flows. That example is significant in the commission providing for a degree of flexibility and certainty across the catchment to serve the communities that rely on the environmental flows.

The report refers to a renewed commitment by all state jurisdictions to maintain the cap; I will turn to that issue later. That measure will ensure an effective, efficient and fair distribution of the resource. All jurisdictions have signed off on their obligations within the regime and the Victorian government has reasserted its commitment to maintaining the cap.

A number of initiatives relate to specific water catchment and trading issues. A simple but elegant graph is contained in figure no. 2 on page 28 of the report. It demonstrates the level of water trading between New South Wales, Victoria and South Australia. The graph shows not only the importance of the interconnections for environmental flows but also the reliance each state jurisdiction has on the other and the role that water trading plays within the management regime system.

Within Victoria a number of activities have occurred in water trading. The report states that in the River Murray downstream of Nyah, 3421 megalitres were permanently traded. Remedial work on the Hume dam was completed and all restrictions on dam operations were lifted. In October 1998 the first environmental flows were released for the Barmah–Millewa Forest; 97 000 megalitres were released from the Hume dam to supplement flows from the Ovens River to maximise the potential for bird and fish breeding and tree growth. Another feature of the report was its reference to Lake Victoria burial sites, which will continue to be protected through actions and interventions of the commission.

Those actions result in living, breathing and daily benefits to Victorians from the management regime that applies within the jurisdiction of the authority and the appropriate cooperative arrangements through state jurisdictions in accordance with the principles and implementation of the program.

Section 3.2.5 of the report outlines the overall salinity management plan, which is obviously important for all rural Australians. The plan aims to protect and to repair damage to drylands as a result of salinity. The report documents that the issue, which has been a focus of attention for 15 to 20 years, will not go away but is still a problem of significant proportions and requires substantial investment and support.

I draw the attention of the house to the salinity strategy outlined in section 3.2.5 of the report and to the significant financial investment and resources that are required to address the issue. The report refers also to support programs provided to local communities to counter the problem.

I join the spirit of the debate to recognise on behalf of the Victorian government the work of the Murray–Darling Basin Commission. It is an excellent model for cooperation across Australian jurisdictions. I congratulate all the worthy participants within the commission and the state and federal agencies that implement the activities of the commission. I am happy to support the motion to note the tabling of the report.

Hon. PHILIP DAVIS (Gippsland) — It is with pleasure that I support the motion — which is, that the council take note of the report of the Murray–Darling Basin Commission report for the year 1998–99. I will make some quick general remarks about an important marker in the report that relates to some complex issues. I particularly note the emphasis the report gives to integrated catchment management as an appropriate approach to dealing with a series of complex issues.

My first significant involvement in a role where I could compare how the Murray–Darling Basin Commission operated with the operations of other organisations was when former Minister for Conservation and Environment, the Honourable Mark Birrell, appointed the Gippsland Lakes Management Council as a ministerial advisory committee to bring together significant stakeholder groups, including statutory authorities, municipalities and the community, in an integrated catchment management function. I was chair of the council. Given that the Gippsland Lakes catchment comprises 10 per cent of Victoria the council had a range of comprehensively complex issues to manage, all of which have from time to time been discussed in the house and all of which are relevant to land management in Victoria. They include nutrification of waterways, salinity and the complex issue of balancing regional development issues, whether they be in forestry, agriculture, urban development or heavy industry, against the impact they have on the environment.

Given that background I was interested in reading the report to see how the Murray–Darling Basin Commission had developed an approach. I understand the issues intimately in terms of community involvement and participation. The 207 management plans that are currently being implemented are estimated over the next three years to cost $2.5 billion, a third of which will be contributed by the community. That is a real stake in the ground so far as the importance of investment and participation by all levels of government and stakeholders at a community level is concerned.

My view is that the remedies to the complex problems in the Murray–Darling Basin catchments can be resolved only by raising the consciousness of the community. The report refers to the issue of the Snowy River flow, an issue on which debate has already taken place in this house and will no doubt continue. The Snowy inquiry and the corporatisation of the Snowy scheme highlight the challenge. The community's concern that the flow at the mouth of the Snowy is 55 per cent of the original flow, and the fact that the flow at the mouth of the Murray is about 20 per cent of the original flow, indicate the complexity of managing a catchment that comprises not 10 per cent of Victoria, as is the case with the Gippsland Lakes catchment, but comprises approximately 14 per cent of Australia.

The fact that Victoria comprises only 3 per cent of the Australian land mass puts into context the comprehensive problem which affects most of the laws of the eastern states — Queensland, New South Wales, Victoria, South Australia and the Australian Capital Territory — and which will require them to pull together their communities to deal with the challenges effectively.

It is important that honourable members have been given the opportunity to consider a comprehensive report that deals with improving the efficacy of the means by which water resources are extracted from the Murray–Darling Basin system and the way they are used. I have witnessed a number of activities that depend on water being extracted from the Murray and Darling river systems. Of particular interest to me are the embryonic interstate water trading arrangements which are in place and which are noted in the report. Those arrangements will be critical in the long term in ensuring appropriate economic considerations are balanced against environmental needs; and environmental needs clearly need to be addressed at a more fundamental level than has previously been the case. That is critical given the increasing level of stakeholder participation, particularly in the implementation of the manifold management plans.

Finally, I caution that the report alludes to the considerable number of committees and highlights the administrative processes involved in tying the complex issues together. I warn that the commission should not become too focused on the administrative function and consultation processes but should lift its sights more towards achieving measurable outputs on the ground. I think some stakeholders will be convinced about making a commitment when they can see appropriately measured outcomes.

Hon. B. W. BISHOP (North Western) — In the short time I have available I make the point that the Murray–Darling Basin Commission is not only a unique organisation but also a practical one. I refer to the practical approach taken by the commission, and particularly its chief executive, Don Blackmore, who is well known to many of us. He has injected the rigour of his engineering expertise into the operations of the commission, and for good reason. I remember when the young Don Blackmore was a district engineer with the former State Rivers and Water Supply Commission in the Swan Hill area. He has done particularly well in gaining his current position. His background typifies the practical approach the commission has taken.

I shall speak about one initiative that transcends state borders and organisations — that is, the operation run by Dr Arakel at Lake Tutchewop to extract manganese hydroxide and other products. As an example, it requires 24 megalitres of saline water, which is about the amount required to fill 24 Olympic-size swimming pools, to extract 720 tonnes of manganese hydroxide;

1400 tonnes of halite, which is top-quality salt used in the food industry; 240 tonnes of gypsum, which is also top quality and which is a bentonite replacement for sealing channels; and 1.5 tonnes of calcium carbonate, which is a dust repressant. The manganese extracted will be used in the next generation of automobile engines. The operation is a joint venture between the Murray–Darling Basin Commission, the Department of Natural Resources and Environment and the community in the Kerang area. Trials will be finished soon and commercialisation will start this year.

I note that Lake Tutchewop has been accumulating 60 000 tonnes of salt per annum. By this process the salt will be removed from the lake and exported. The operation is sustainable and will result in a win–win situation. I commend my colleague the honourable member for Swan Hill in the other place, who has worked on the issue since 1989 and who has also been encouraged by the community. Many people have brought a lot of pressure to bear on the initiative. There is room for expansion of such projects, and there are now three salt-extraction projects in northern Victoria. I am not talking about the salt harvesting of the past, where salt is graded up on the lake beds and stored away. By this process salt will be extracted from saline water. The Pyramid Hill salt operation, the Epsom salt extraction, which is currently being researched at Cohuna, and, given a bit of vision, the Lake Tutchewop operation will also be the subject of such industry expansion.

Five years ago there was nothing; in another three, four or five years I think there will be a great expansion of this type of operation. It is an excellent example of how the Murray–Darling Basin Commission is an extraordinarily unique organisation that transcends state and political borders. The joint venture between the commission, the Victorian government through the Department of Natural Resources and Environment, the community and local members of Parliament is an excellent example of how such an organisation can achieve better sustainability of irrigation.

Lake Tutchewop has been a recipient of salt from a huge area, extending from Cohuna to Kerang. I commend the report and the Murray–Darling Basin Commission on the work it has undertaken since its inception.

Motion agreed to.

PLANNING AND ENVIRONMENT (AMENDMENT) BILL

Second reading

Debate resumed from 23 May; motion of Hon. J. M. MADDEN (Minister for Sport and Recreation).

Hon. G. B. ASHMAN (Koonung) — The Planning and Environment (Amendment) Bill makes a number of changes that provide more certainty to the planning process and enshrine into legislation a number of processes that were, prior to the bill, administrative processes. Building surveyors must now refer proposed demolition permits to local councils if more than 50 per cent of the building is to be demolished over a three-year period. Most honourable members would be aware that over recent years a number of buildings have been demolished when it was inappropriate to do so. Certainly far more community consultation was required before those demolitions proceeded.

The bill will require that any demolition must be referred to council. That will enable municipalities to review proposed work against their processes and, if necessary, appeals and other determinations can be made. The bill also removes the building of special-interest tests to judge whether demolition permits should be issued. Permits can be issued provided the building is not on the heritage register.

The building surveyor will now be responsible for ensuring that both demolition and building permits comply with relevant planning permit requirements. There have been a couple of notable cases where the building permits did not comply with the planning permits and caused significant problems. There were also instances where the building permit was varied after it was issued making it significantly different from the planning requirements that were in place for that area. As a result residents and adjoining businesses in some cases were significantly disadvantaged.

The bill also increases penalties for offences against the act and makes another interesting change, which the opposition supports. It requires that current law and planning scheme requirements be considered by responsible authorities when deciding amendments to a planning scheme or documents approved under the planning scheme. That is a useful change.

There are further requirements under the Building Act for caravans and moveable dwellings to meet the plumbing requirements of the act. A number of large caravan parks in the outer suburbs have significant numbers of permanent residents. The moveable

dwellings in some parks, though not all, have plumbing that would not be acceptable in other homes. They are inappropriate for the caravan dwellers. Some of the moveable homes on the sites are expensive, with two and three rooms. The caravans that arrive on the sites on large semitrailers are generally permanent homes. Residents choose to live in caravan parks and for them it is a pleasant environment. However, the way some of the moveable dwellings have been plumbed has created environmental problems in nearby streams, waterways and within the parks. The bill addresses those concerns.

The bill expands the regulation-making power under the Subdivision Act for regulating bodies corporate, which is also welcomed.

The Planning and Environment Act was introduced by the former Labor government and amended on a number of occasions by the coalition government. It is important legislation that provides a set of rules for all planning activities. Some developers, builders and owners will always seek to maximise their opportunities. Over a period a number of inappropriate projects have been identified. There are some 210 planning schemes in 25 zones, amounting to 67 000 pages of documentation. People seeking to find a way around the various planning schemes could go through those 67 000 pages to find some precedent to enable them to achieve their particular desired outcome.

One of the significant achievements of the coalition government was to reduce the number of zones to 22 and the number of planning schemes to 28, so there is now a great deal more consistency across the state and in particular across metropolitan Melbourne.

The Planning and Environment Act clearly applies across Victoria, but it is probably more important to metropolitan people. In the metropolitan area the number of residents per dwelling has changed significantly. In 1966 it was 3.47 people per dwelling; in 1996, 30 years later, it was 2.69. By 2020 it will be 2.5 or 2.6. As a result, and with an ageing population, people are looking for different housing options. No longer does everybody want the three-bedroom or four-bedroom home sitting on the quarter-acre block. People are far more inclined, as their children leave home, to sell the three-bedroom or four-bedroom home and move to a two-bedroom or three-bedroom city apartment or to a higher density development in their own suburb.

Over the past 10 years, in all suburbs but particularly in the inner suburban area, significant changes have occurred in the housing stock available. The new housing stock is multi-unit developments with smaller gardens. Residents are making greater use of the local government facilities such as parks and gardens than they did in the past. They are spending more time in restaurants, streets, parks and theatres. Lifestyles have also changed in outer suburban areas, particularly those developed 30 or 40 years ago.

To give some instances, in the Ringwood, Heathmont and Boronia area, within a kilometre of railway stations a significant number of multi-unit developments are being built. They are opposed by some local residents, but most of those developments are of a high quality. They are almost always being occupied by people who have previously been residents of that municipality or area. That indicates to me that people are remaining in the areas they have lived in but, as the size of their household changes, they are downsizing and moving to a newer and more appropriate property to improve their lifestyle.

The bill is a progression in planning law. I am certain this will not be the last time the house will be debating planning and environment amending legislation. The bill is another step forward in providing clear principles for builders, owners, developers and municipalities.

Honourable members would support me in my call on all involved in the industry to support the intent of the bill. Some 95 per cent of the people involved in the industry support its intent. Only a small number have set out to find the loopholes. It will be the actions of those people that will have the bill back in the house at some time in the future, but the house will have to wait until they reveal their hand. The bill achieves some certainty for residents, builders, developers and municipalities. The opposition does not oppose the bill.

Hon. G. D. ROMANES (Melbourne) — The Planning and Environment (Amendment) Bill is more than a progression in planning law as Mr Ashman suggested. The Municipal Association of Victoria described the amendments as a watershed for planning in Victoria and said that:

> The changes are consistent with the continued empowerment of local government in dealing with issues affecting their local communities.

The Property Council of Australia has welcomed the bill as a measure designed to give local communities more control over their neighbourhoods. It notes the need for councils to be appropriately resourced to carry out the required planning activities.

In my former life as a local councillor for the City of Moreland, as planning portfolio coordinator for that council and as the coordinator of the Victorian Local

Governance Association working group on planning and building issues, I have had a long involvement with the issues addressed by the Planning and Environment (Amendment) Bill. The concerns addressed by the bill have worried local councils, other relevant bodies and residents across Victoria.

From the time the consequences of changes to the Building Act introduced in 1993 and to regulations regarding the Building Act introduced in 1994 began to have an impact, a proliferation of complaints arose about the way planning and building procedures were operating in Victoria. From 1995–96 onwards many organisations and bodies endeavoured to bring to the attention of the former government the difficulties that were being experienced in the planning and building arena.

As I said earlier, through the work of the Victorian Local Governance Association I was involved in a number of forums, representations made to the previous Minister for Planning and Local Government and other efforts to bring to the attention of the former government some of the problems that were arising. The Municipal Association of Victoria, resident groups across the metropolitan area and country Victoria, the Save Our Suburbs group in particular and various individual councils wrote to the government expressing concern and the desire to see action taken to address some of the impacts on building and planning of the previous government's legislation. The minister's own local planning advisory council asked for the issue of inconsistency between planning and building permits to be addressed by the previous government. The previous government stands condemned on its inaction on those matters.

That situation was allowed to drag on. For many years many people and organisations knocked in vain on the government's doors — they were never heard. In 1998 as part of the performance audit program the Auditor-General produced a report entitled *Land Use and Development in Victoria: The State's Planning System*, which was released in December 1999. Paragraph 1.1.23 on page 7 of the Auditor-General's report states:

> In the majority of councils, formal mechanisms for checking consistency between planning and building permits had not been developed. Consequently, the councils were less likely to detect instances of unauthorised developments or where all or some conditions of permits had been ignored. There is a clear need for the Department of Infrastructure, the Building Control Commission and local councils to develop a system to ensure consistency between planning and building permits.

In December 1999 the Auditor General said what so many people had been trying to tell the government for a number of years but their words fell on deaf ears. The City of Port Phillip was audited in that performance audit and in response the Mayor of the City of Port Phillip said:

> The audit found that enforcement of planning matters is reactive and ineffective. Enforcement is financially costly for councils and local communities. The ineffectiveness is also, in part, due to the separation of planning and building approvals. Enforcement could be made more effective by requiring building surveyors to ensure that building approvals are consistent with all aspects of planning permits. Port Phillip has been actively seeking this reform since 1996. Also Port Phillip has pushed for the strengthening of council's ability to prosecute and for higher fines for breaches.

That response highlights that the issues in the bill are interrelated and that councils such as the City of Port Phillip carefully documented the effects of problems between planning and building and tried for many years to have those problems addressed by the government of the day.

I am pleased that the election policy of the Bracks Labor team stated an intent and desire to address the issues that for years have been plaguing the planning and building system. The Minister for Planning in the other place outlined a program in the planning agenda put to the people of Victoria in December 1999. That program was reinforced in discussions with local government at the planning summit held earlier this year in the City of Hobsons Bay, which was attended by about 160 elected and professional representatives of city councils. The Bracks Labor government has put forward a clear plan to address the issues.

I refer to how the problems have arisen and how the amendments to the Planning and Environment Act will address them. Members who were active in local government before the Building Control Act was introduced in 1993 would be familiar with the role of the municipal building surveyor (MBS). They would understand that prior to the deregulation and privatisation of building regulatory control, the municipal building surveyor provided a coordinating role. The surveyor ensured that the relevant planning permits were obtained from the appropriate municipal council or shire staff when any building work was done. The MBS also ensured that security deposits were paid in case damage was done to the municipal infrastructure and that other protections were in place during the building process.

When the building regulatory control system was privatised the role of the MBS was put aside. As a result, councils and shires were no longer in control of the process of integrating building and planning. In many instances members of the community found that

they could be involved in lengthy consultation processes about a planning matter and they might have contributed to a range of amendments to a planning permit but when the building was constructed a number of the issues they thought had been resolved in the planning permit process appeared to have been disregarded. They included things such as setbacks and overlooking windows being placed where it had been agreed they would not be placed to protect the neighbouring properties. Neighbours found that things were not as agreed in the planning permit process.

Those things happened because a private surveyor could telephone a local council and ask whether a permit had been approved for a property. If the answer was yes, the surveyor proceeded merrily and might have referred to the original plans lodged with the council. There was no requirement for the building surveyor to check whether any amendments or conditions had been attached to those plans.

The Building Control Commission and councils across the state have documented the fact that the building and planning permits could be inconsistent. That resulted in a proliferation of complaints and in the tying up of council resources in working out what had gone wrong and sorting out the consequences. It has been costly in time and has produced much angst in the community and much opposition to the operation of the planning and building system in the state.

I am pleased that those issues are addressed in the bill. Building surveyors, whether private or municipal, will be required to ensure that the building permit for a property is consistent with the planning permits and conditions issued by the relevant responsible authority.

The bill also addresses the demolition approvals process. Considerable publicity has been given around the state to proposals to change or demolish heritage buildings such as the railway house on the Mornington Peninsula or 1 Sussex Street, Coburg, in my electorate. Sometimes the work is undertaken with no regard to the formal status of councils as being part of the process, and in a way that the relevant heritage body has been unable to influence the outcome.

The bill amends the Building Act to require that applications for building permits for demolitions be referred to responsible authorities for their consent and report, just as consent and report are part of a process that triggers the involvement of local councils for a whole range of other issues relating to building and planning. A council is the body that knows most about land use, planning and building and the way it wants its municipality to develop. Therefore it should be involved in the process.

The bill therefore restores in part what was taken away in 1993 by providing the opportunity for the responsible authority to have more control over what happens in land-use planning in its municipality. That is an area where again the community has registered concern across the board, and developers and representatives of the housing industry have also registered concern because without such controls demolitions occur without sufficient knowledge and understanding of what will replace the buildings demolished. An unscrupulous owner or developer can do away with a building without having a planning permit in place or without taking into consideration what the local planning scheme is and councils' intentions for land use in a particular area.

There are numerous examples of so-called bomb sites around the city. They are a scar on the landscape and are often outside the control of the relevant authorities. Those bomb sites can adversely affect retailers, residents and others in the vicinity. In putting further controls back into the hands of municipal authorities, there was a concern that the provision not become onerous on local governments for resource reasons. Therefore, referral to the local authority will occur only when more than 50 per cent of a property is demolished over a three-year period. A further requirement is that the trigger to the responsible authority will take place when the facade of a property is affected.

Other important aspects of the bill include tougher penalties for breaches of planning law. That will make it worth while for councils to prosecute and at the same time seek enforcement orders from the Victorian Civil and Administrative Tribunal when breaches of the Planning Act take place.

In the past enforcement matters have been circuitous, costly to councils and resource intensive. They have not encouraged councils to clamp down on those who are ignoring or manipulating the system for their own ends and are outside the land-use planning objectives of the responsible authorities. The bill therefore increases significantly the penalties, as it also does in the Prostitution Control Act where penalties for offences in relation to brothel permits will also be increased.

The Residential Tenancies Act is also amended to make sure that water, sewerage and drainage connections to caravans and moveable dwellings in caravan parks are required to comply with the Plumbing Regulations of 1998. An amendment to the Subdivision Act puts

beyond doubt the power for procedural regulations to be made on the operations of bodies corporate.

I conclude by reiterating that the previous government was alerted time and again to the adverse impacts of previous legislation in the planning and building arenas and failed to act. The actions of the Bracks Labor government on this matter have been welcomed and applauded. I cited the Municipal Association of Victoria and the Property Council of Australia. The Royal Australian Planning Institute has made it very clear that it welcomes the bill as an important initiative which:

> … responds to concerns in the planning profession and the community as a whole about a lack of connection between the planning and building permit systems in respect of building demolitions.

Further, it states:

> The Housing Industry Association supported the legislative amendments aimed at clamping down on inappropriate development and illegal demolition.

It can therefore be seen that the bill has wide support. Contrary to what Mr Ashman said, there has been consultation on the matter over the years with a range of bodies. I commend the bill to the house.

Motion agreed to.

Read second time.

Third reading

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

> That this bill be now read a third time.

I thank the Honourables Gerald Ashman and Glenyys Romanes for their contributions to the debate.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

TRANSPORT (AMENDMENT) BILL

Second reading

Debate resumed from 24 May; motion of Hon. C. C. BROAD (Minister for Energy and Resources).

Hon. G. B. ASHMAN (Koonung) — The Transport (Amendment) Bill will remove references to the transport functions of the Public Transport Corporation and make other amendments. It removes all the references, or the majority of them, to the PTC. It also removes a number of the powers that were held by the corporation in the operation and management of public transport services.

The reason the bill is before the house today is a reflection on the success of the privatisation franchising by the Kennett government of the public transport system. The system is now in the hands of the private sector and operating very efficiently. It is operating at a far higher level of efficiency than that achieved while in government ownership.

It is interesting to note the customer benefits that have accrued to our community from the privatisation franchising program. I examined some figures yesterday on the performances of the privatised entities for the first quarter as compared with the final quarter of last year. Bayside Trains performance level was 93.8 per cent in the first quarter but improved to 97.4 per cent by the last quarter. Hillside Trains improved from 93.8 per cent to 97.4 per cent. V/Line Passenger had a smaller improvement — nevertheless an improvement — from 93.2 per cent to 94.5 per cent. Swanston Trams had a dramatic improvement in performance from 55.5 per cent to 72.6 per cent. Yarra Trams was not quite as marked but came from a much higher base. Its performance improved from 70.7 per cent to 79.8 per cent.

They are clearly quite significant improvements in performance and obviously the private entities now running the system are providing a much improved service to their patrons. The contractual arrangements that the companies entered into contain penalty clauses and if the companies do not increase their patronage they suffer a penalty. It is interesting to note that all those companies have had a minor penalty imposed on them, notwithstanding the significant improvements they have already made. There has been a 50 per cent reduction in trains running late across the public transport system, and that is a very good achievement.

Over the next 10 to 14 years significant improvements will continue to occur in the public transport sector. The most obvious of those will be the introduction of new rolling stock. The privatised companies are committed to spending about $1.8 billion on new rolling stock and infrastructure.

It is obvious why the Transport (Amendment) Bill is now before the house. It is extremely unlikely that

public transport will revert to government ownership, and therefore the powers that were provided to the Public Transport Corporation are no longer required. The bill contains some amendments that nullify the powers of the PTC, including the ability to continue to acquire and dispose of land and install and relocate stopping places for public transport. Obviously those facilities will generally be on public land, but not always, and the corporation will need to have some power to administer contracts in relation to those matters.

The bill repeals a number of sections of the principal act. I will not go through them all in detail, but it repeals the section dealing with the operation of rail vehicles on interstate tracks. The PTC no longer has that function. The bill also repeals the power to set charges and fares for passenger and freight services, because again that is no longer a function of the PTC but of the contractors, and other processes are in place for setting fees and charges.

The bill repeals the section of the act that deals with employment entitlements for staff transferring from government departments to other authorities. Any transfers from the PTC to the other entities will be dealt with by contractual arrangements.

The bill also amends the definition of 'authorised officer' in relation to the enforcement of ticket offences. It does so because there is now no role for the PTC in that enforcement activity. It is now a joint effort between the private companies and public sections of government.

The power to search persons and vehicles on corporation land is also removed because the corporation no longer owns land that is relevant to that particular exercise. As I understand it, the PTC still retains a number of minor properties, but none on which a transport function is performed.

The bill contains a clause that allows for or continues the regulations for maintenance and safety in the tramways and railways system. That is quite important and all governments would seek to continue such regulations.

Obviously government should have a role in the setting of safety standards for the system. The Transport (Amendment) Bill is a relatively minor bill and it is not essential that it proceed. The government could have chosen to leave the principal act as an outdated piece of legislation, but the amendments clean it up. The opposition welcomes the process because it simplifies the statute books.

In conclusion, the bill is proceeding because of the success of the privatisation of the public transport system. The opposition does not oppose the bill.

Hon. G. D. ROMANES (Melbourne) — As Mr Ashman said, the Transport (Amendment) Bill is before the house because of the need to tidy up the Transport Act following the sales and franchising to private operators that took place in August last year. The house last debated amendments to the Transport Act in December 1999.

The bill removes references to the public transport function of the Public Transport Corporation (PTC) because the corporation no longer provides any public transport services or owns the land on which the current train and tram services are provided to the public. The corporation no longer needs the wide range of powers and functions it previously had when it was the main provider of public passenger transport services, nor does it require the enforcement powers regarding ticketing that it previously exercised. As a means of tidying up the principal act the amendments insert a reference to the new tram and train operators. In some instances there is reference to Victorian Rail Track, the body to which many of the PTC's former functions have been transferred and which now owns most of the public transport land that is left.

The corporation has not disappeared altogether. It is the successor at law to the statutory corporation whose assets were transferred to the private operators and will continue to be responsible for the winding up of the residual assets and responsibilities of those bodies. The other functions of the PTC will continue to be exercised. It will be a party to a number of contracts that have not yet been transferred to other bodies. The most important of those is the Onelink automated ticketing system, in respect of which there are still some issues to be addressed.

Honourable members will be aware of the commitment of the Bracks Labor government to an improved public transport system. It has inherited a system that has changed markedly since August 1999. It is a system in which the government is now required to deal with a range of franchisees that operate various segments of the public transport system. It remains to be seen how well a government at the state level can find ways and means of coordinating the various parties to the public transport systems that are now in place across the state.

Victoria needs an integrated public transport system. The growing congestion on the roads each day is a pointer to the need to continue to work hard and invest significantly in the state, as the government has done in

the budget and will do in future budgets, to improve the public transport system. The government must make that commitment if it is to encourage more people away from private vehicle transport into other modes of transport, and particularly into the public transport system so that greater efficiencies can be achieved and the problems of pollution and congestion can be addressed. With those few words I have pleasure in commending the bill to the house.

Motion agreed to.

Read second time.

Third reading

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

That this bill be now read a third time.

I thank Mr Ashman and Ms Romanes for their contributions. I thank the opposition for its support of the bill. As was indicated earlier, the bill is machinery of government legislation that removes the government functions of public transport from the Transport Act while maintaining the Public Transport Corporation to carry out its ongoing functions. The changes are required because of the sale and franchising to private operators of public transport by the Kennett government in 1999.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

SUPERANNUATION ACTS (AMENDMENT) BILL

Second reading

Debate resumed from 24 May; motion of Hon. M. M. GOULD (Minister for Industrial Relations).

Hon. R. M. HALLAM (Western) — I shall report the reasoned response of the Liberal and National parties in support of the Superannuation Acts (Amendment) Bill. The bill has but one primary objective, which is expressed in the second-reading speech: to implement the commonwealth superannuation contributions tax on Victorian public sector superannuation schemes. The bill can be distilled beyond that. The measure refers to the commonwealth government's controversial surcharge on employer superannuation contributions for high-income earners and provides the trustees of defined benefit schemes with the authority to recover the surcharge from individual members of the scheme.

The central effect of the bill is to transfer the cost of the surcharge from the trustees of the funds on the one hand to the members on the other hand. As an aside, to this point the trustees have not had the authority to transfer the cost, and to that extent it has been the funds rather than the members who have met the cost of any surcharge. I will come back to that later. The primary effect of the bill is to allow the trustees of defined benefit superannuation schemes to recover the surcharge from the members. The support of the bill by the Liberal and National parties is offered grudgingly. I make the point that to the extent that the surcharge is applied to defined benefit superannuation schemes it clearly represents a tax on a notional income, and to that extent is bad law.

I take my role as a legislator very seriously. I am affronted by the concept on which the bill is constructed. I am unaware of precedents in any Australian jurisdiction for such a concept. I cannot think of a principle of tax law that is not offended by the concept that underpins the bill. On the test that tax law should be fair between taxpayers and predictable in its application, the surcharge fails miserably. However, for all that, the major operational difficulties and inequities associated with the concept of the surcharge, and against which I railed when I first heard of it about three and a half years ago, have been effectively addressed. For the reasons I will outline, the opposition has come to the reluctant conclusion that the bill should be passed into law.

I turn to some background of the bill. I refer to the position adopted by the conservative parties and the rationale that underpins that position.

On 20 August 1996 the federal Treasurer, Peter Costello, announced that a surcharge of 15 per cent would be applied to employer superannuation contributions for high-income earners. In that context 'high income' was defined as taxable income of $70 000 or more in the year 1996–97. The surcharge was to be applied progressively across the range of $70 000 to $85 000, which meant that at $71 000 the employer contribution would attract a tax of 1 per cent and would move progressively to the maximum of 15 per cent for a taxpayer whose taxable income was greater than $85 000.

Those threshold parameters have been indexed over time so that in the current year 1999–2000 the threshold

cuts in at a minimum of $78 208 and a maximum of $94 966. In any event, superannuation is incredibly complex. Only those who are directly involved in it professionally can hope to keep up with the developments as they evolve. I am bemused at recent complaints from Canberra about that complexity because the surcharge, which is the genesis of the bill, adds an entirely new dimension to the definition of complexity.

When the surcharge was introduced I said that the same effect could have been achieved by increasing the marginal income tax rate without the administrative nightmare everyone knew would flow from the surcharge. In any event, it is a matter of history that the 1997 federal legislation entitled the Superannuation Contribution Tax (Assessments and Collection) Bill was eventually passed in June of that year after much toing-and-froing in the Senate.

As an aside I mention that conjecture at the time centred on whether the surcharge was devised to avoid breaching a commitment given by the Howard government that no new taxes would be introduced that year. If that were the case — I do not say it was — it is ironic that such a device became pointless because the Senate ultimately demanded that the word ‘tax’ be included in the title of the legislation.

Why do I remember those events so vividly? Because I was Minister for Finance at the time, with responsibility for the administration of public sector superannuation and, therefore, the administration of the surcharge as it applied across Victorian public sector schemes. I do not necessarily blame the federal Treasurer for the outcome — I do not expect any minister to be across every detail of every issue in his or her portfolio — but it is clear that the ramifications of the surcharge had not been thought through.

An animated flurry of activity occurred across the entire superannuation sector, much of it in strident opposition to the concept, but it led to a clarification of the effects of the new surcharge. Many of the complications were quickly remedied, others took time. The bill now before the house is evidence that some of those remedies have taken more than three years to be determined.

I am happy to place on the record that the negotiations in which I was involved personally with commonwealth authorities were civil and productive; but for all that, it is clear that the architects of the concept did not factor in the impact of a surcharge on defined benefit funds. That flaw remains as obvious today as it was at the time.

There are two basic types of superannuation. The first, and probably the most common, is the concept of accumulation. It is a relatively simple concept: a contract is struck between the employer and the employee at the point of engagement; the agreement determines the amount to be contributed by both parties to the ultimate benefit of the employee in the form of superannuation. As it happens, the employer is required to meet the minimum requirements prescribed under the commonwealth superannuation guarantee legislation; but in any event, the contributions from the employer and the employee are accumulated in an account in the name of the employee. The process involves the best financial management of those accumulated funds.

However, under the concept of accumulation the entitlement of the member is known precisely at any point in time; it is simply the amount that appears in the name of that member at any given time. It has the advantage, therefore, of meeting the as-you-go funding by the employer.

In that circumstance the application of the surcharge is relatively simple because the employer’s contribution to the accumulating entitlement is made each year and is a matter of fact. Therefore, 15 per cent can be applied to that discrete amount. That 15 per cent is accumulated in a surcharge account in the name of the member; the member then is entitled either to pay it off progressively on a year-by-year basis or allow it to accumulate to be paid at the point of separation or exit.

Again I point out as an aside that nothing is ever as simple as that, because the concept still requires the Australian Taxation Office to issue an assessment based on the member’s taxable income for a particular period, to decide whether that taxable income is greater than the threshold and the extent to which it is greater, and so on; then the tax is levied on the trustee, who is not able to speculate on the impact in advance.

The process is complex, given the timing factor involved, but it is not the nightmare that has evolved in the form of the second type of superannuation I now refer to: the concept of defined benefits. In that scenario the superannuation entitlement is not expressed in precise dollar amounts but as a multiple of the final average salary based on years of membership. The concept of defined benefits became quite common, even fashionable, some years ago, particularly to the extent that it guarded against the effects of inflation.

In a technical sense the compounding of a cash entitlement should maintain purchasing power relativities over a period, and that would obviously

include a working life of, say, 40 years. However, in a period of high inflation that becomes arguable, or at least difficult to demonstrate in a manner which would provide comfort to the member. In other words, when inflation is extremely high it is difficult for the member to be persuaded that the purchasing power relativity is being maintained. So the concept of expressing the member's entitlement in the dollars and the salary level that would apply on the day of retirement becomes much clearer and more easily demonstrated. It was on that basis that defined benefits became popular.

It also happens to be the case that defined benefits fell from grace for a similar reason. Because the retirement benefit becomes known only at the point of exit — until then it is simply an actuarial assessment — employers have tended to fund the liability on an emerging basis; in other words, to acknowledge only the liability when it actually matures at the point of separation or retirement by individual members. Employers could rationalise the logic of treating the liability in that way and there has been a dramatic impact on the funding of superannuation across the entire sector, but nowhere more dramatic than in the public sector.

Honourable members will recall the debates in this place on the Local Authorities Superannuation Board liability, which for many years had gone unrecorded in the local government area. In the case of the state public sector, governments of both persuasions simply ignored the accruing liability. However, following the election of the Kennett government in 1992 a liability of something in excess of $19 billion went into the reports for the very first time. The critical point I make in that context is that even then, when for the first time in excess of $19 billion was recognised in the state records, the figure was nothing more or less than an actuarial assessment — no-one could prove whether it was accurate or demonstrate the extent to which it was accurate. It was an estimate.

It is a matter of history that the Kennett government took a basic decision to move away from the concept of defined benefits and to embrace the concept of accumulation superannuation. It did so partly because of the complication of the funding and the extent to which the liabilities had been camouflaged in the past, and partly because of its commitment to introducing dramatically better reporting standards. There was also the advantage that members would know exactly where they were.

However, I make the point that there were complications even when the corporate decision was taken to shift away from the concept of defined benefits. One of the rules of the game is that those who have an entitlement or a right under a particular contract of employment should expect to maintain that right, and it should apply until the termination of the employment contract. So all the members of the public service who had membership of defined benefit schemes in 1992, when the government took the corporate decision, are entitled to maintain their membership of the fund subject to the rules under which they were admitted.

Furthermore, the previous government determined that there were two circumstances in which the concept of defined benefits remained more valid. In the case of the Emergency Services Superannuation Scheme it was on the basis that the inherent risk faced by members of the fund in their day-to-day employment warranted a particular type of superannuation. The government took a conscious decision to maintain the concept of defined benefits in so far as it applied to parliamentary schemes, and again there was a rational basis for that. The former government did that because of the particular features of the scheme. Most of the members came in at a mature age. Although I acknowledge that that has changed somewhat over the past few years, historically members of Parliament have come into the fund in their 30s, 40s, and in some cases in their 50s. Another feature of the fund is that the membership terms are historically short. On that basis the previous government concluded that the retention of defined benefits was appropriate in those areas.

The point of my contribution is that the application of an annual surcharge to a defined benefit scheme is illogical, unfair, administratively crazy, and in my view may well be unconstitutional. I have held that view from the very first time it was explained to me in detail. Why? Because until a member's entitlement matures at the point of exit or retirement when the components of the formula are known, the rate at which the entitlement is accruing over the membership period can be only an estimate. No matter how much finesse is used, it can be only an estimate. Thus the employer's contribution required to provide the estimated entitlement involves even more courageous actuarial assumptions; and they are really guesses. I have said that finesse might be used — they might be sophisticated guesses, they might be rationalised against the probabilities and it might be demonstrated that all the skills of professional actuaries have been employed — but they remain guesses. At the end of the day they are not discrete numbers; they are estimates.

Of course, the member who is involved in a defined benefit scheme is interested about the rate of aggregation, the rate at which his or her entitlement is accumulating, and expects to get some sort of estimate periodically, normally each year. But it must be clearly

understood that the document received by the individual member contains an estimate of the member's entitlement based on the notion that his or her membership should cease on that particular day. It is made clear to them that, notwithstanding that the estimate is calculated for that day, they should understand that the rate of accumulation might accelerate or decelerate over the rest of their working lives and their membership of the fund. What they get is nothing more than a snapshot of a notional entitlement. So, the claim from some that members get an annual estimate is no justification for the estimate to be used as some sort of taxing formula.

The Australian Tax Office will assess as taxable to the member 15 per cent of what is actuarially estimated to have been the employer's contribution necessary to achieve the growth in the notional entitlement each year. There's the rub; it is the precedent against which I have complained from day one. It is an unfortunate precedent that a member is taxed on the notional benefit that accumulates over years of membership.

However, it gets worse. If over the years of membership the annual assessment of an employer's contribution is overestimated and the member has been taxed on that overestimate and therefore overtaxed, that tax has already been paid to the Australian Tax Office and the laws of the land contain no provision for it to be clawed back. A circumstance could arise in which it could be clearly demonstrated that excess tax had been paid, but the law would say, 'Stiff; there is no chance of a refund'. It may be several years in advance of the earnings being received. Even at the point of exit or retirement when the entitlement matures and becomes explicit, major flaws remain, and I shall explain the reason the opposition has agreed to support the concept.

To say the bill has had a difficult gestation is a dramatic understatement. I was the minister responsible at the time the underlying concept of the surcharge was introduced and as chairman of trustees of the parliamentary superannuation fund I took a personal interest in the negotiations over the 3½ years since the surcharge was announced. My role in the negotiations continued through the framing of this bill and, most significantly, long after my enforced retirement as a minister and long after my role as the chairman of trustees had terminated.

I pay a special compliment to the Honourable John Brumby who has been extremely generous in allowing me access to senior officers across the Department of Treasury and Finance. I make particular mention of Graeme Glass and Rabeen Porter, who worked with me from day one, Dean Yates, who is now the senior Department of Treasury and Finance officer, and two others who have been of enormous support, Brian Fraser, secretary to the parliamentary trustee, and Carl Stevenson, senior actuary with Mercer, the consultant actuary.

That brings me to the $64 000 question: if the concept is so fundamentally flawed why should the opposition support the bill? I knew from the outset that once the concept was announced we would eventually have to comply, if for no other reason than Canberra controls the cheque book and defiance could prove costly in the long term. Even at the height of negotiations when we were in our most entrenched position of opposition, we knew that the best we could hope for would be to overcome the worst of the administrative problems rather than overcome them completely. That is the real world in which we work. Compliance was always to be the outcome.

Why was that clear? Firstly, the trustees of accumulation schemes had no barrier to their passing the cost on to their members which meant the vast majority of superannuation members were already paying the surcharge, particularly and without exception those in accumulation schemes. The surcharge had been levied on them. As an aside, that included the officers who were working on the bill that is currently before the house. They were paying the surcharge and arguing on a matter of principle about the inequity of the application of the surcharge to defined benefits schemes. I say now, as I did then, that that showed complete professionalism.

On the basic issue of equity, if we did the test as between those who are members of accumulation schemes and those who are members of defined benefit schemes it was as clear as a pikestaff that we could not hold the line on the basis of fairness.

Secondly, the trustees of the defined benefit funds were paying the surcharge. The only question that remained was whether the trustees were entitled to recover that from the members. Apart from the nightmare of determining the tax, the Australian Taxation Office was getting its pound of flesh and we were having an esoteric fight in the background about who would ultimately pay. I knew to that extent the technical debate was lost.

Thirdly, as we were constantly reminded, Victoria was the only state that had not capitulated and passed complementary legislation to allow the trustees to pass the cost on to individual members. Victoria was like a shag on a rock. My federal colleagues who were also

paying the tax were keen to remind me that Victoria was the only jurisdiction outstanding.

Fourthly, we recognised that trustees, as a matter of law, could not treat with retired members. Once a member of a fund retires he or she is no longer a member. The rules of the game say that the trustees cannot treat with them. In the interim members of funds across the public sector were retiring after assessments had been received by the trustees. We immediately had an issue of equity between those who had retired and those who continued as members. We recognised that the issue of equity would not become easier.

Finally, there was the issue of perception — we were fighting an issue on the basis of principles yet it was clear to all that we were also beneficiaries. While the parliamentary scheme was not the only scheme involved, the media had a field day running stories that we were effectively dodging personal liability by some loophole in the law. Given that it is fashionable to beat up politicians, it was always going to be a hard message to sell that we were motivated by the principles involved rather than self-interest.

On a number of occasions when I was briefing the media or doing direct interviews it was suggested that my heart was in it because there was a big cheque involved at the end of the process. The journalists were kind in the way they framed it, but the implications were clear that this was somehow a back-pocket concern. I made the point again and again that there was no denying that I and other members of the fund had a clear interest, but I also made the point that had I not had that personal interest I would have been going much harder rather than softer. I was incensed by the principles involved, and I still am.

My assessment today is that we have not been beaten into submission but have negotiated a good outcome. Again I pay tribute to those officers directly involved. Our intransigence has been worth while. Some of the other jurisdictions may be envious when they see what has been negotiated by way of compromise in the bill.

Throughout the negotiations there emerged three sticking points that I considered to be of such moment that I was determined not to recommend legislation until they had been resolved. The passage of the legislation was the only leverage I had. I am pleased we achieved some workable solutions to all the issues that are now contained in the bill. Although it was not a great outcome, the legislation is more palatable.

The first sticking point was that of the interest rate applied to members' accumulated surcharge accounts, the debt accumulating in the name of individual members. Given that the fund pays a member's assessed surcharge directly to the Australian Taxation Office the assumption is, if the bill is passed, that the debt will be transferred and accumulated in an account in the member's name, to which interest shall be applied over the term of the membership.

A couple of years back the Kennett government resolved to make a special appropriation to the parliamentary fund on the basis that it should be fully funded. Money was taken from the appropriation and placed in the parliamentary fund so it could be reported as being fully funded. That was done for the very best of possible motivations, completely consistent with accounting principles and the concept of pay-as-you-go funding.

We immediately ran into a problem. Under a ruling initially invoked by Canberra in respect of the surcharge, because the parliamentary fund was fully funded, the interest rate that would then apply to the accumulating debt in the names of individual members would be that of the earning rate of the fund. It could be rationalised that that was the fairest way of doing it as between members of the fund, but the first thing that stood out in the year we looked at the matter was that the earning rate of the fund was some 18 per cent, yet the rules that applied to other funds across the nation employed the 10-year commonwealth bond rate, which was about a third of that. An immediate anomaly and inequity arose in the application of the surcharge in particular instances. It was going to be hard to persuade my colleagues that they were not disadvantaged by a responsible decision being taken to fully fund the scheme.

Then there was the dilemma facing our trustees. They had a fiduciary responsibility to the members of the fund. That was their first responsibility. They saw that those members would be grossly disadvantaged by a good return upon investment in the fund. What were the trustees to do? It is the double jeopardy I have spoken about; it is the worst anomaly I have come across — a crazy circumstance.

The good solution in the bill is that the interest rate applied to the surcharge debt of each of the members shall be the 10-year bond rate. That is the same rate that is applied to the commonwealth parliamentary scheme, and upon that and many other bases it can be described as fair. I make the point that it is a rational outcome and one that is much better than the option we were given for a start.

The second of those sticking points went to the actuarial assumptions applicable to the estimation of the employer's annual contribution — as specified again by the commonwealth rule book. That required the anticipation of future entitlements, which may not eventuate. No provision was made for a refund of any tax that happened to be overpaid in the interim.

I know there are other examples, but the classic example is the parliamentary scheme. Members are entitled to nothing more than a refund of their own contributions and a meagre rate of interest until they qualify for a pension. They cannot do that before eight years — in most cases it is beyond eight years. A basic question arises. When the actuary comes along to work out the annual benefit derived by individual members and therefore whether a 15 per cent surcharge should be attracted, does the actuary assume that every member of the fund qualifies for the pension? Some of them will not have got there. Members come and go all the time.

The actuary was told that the expectation of a pension had to be taken into account and that everybody was assumed to qualify. That might have been supportable to the extent that it prevented a massive increase in the implied benefit derived when the pension qualification took place, but it represented a grotesque inequity when applied to those who did not qualify over the period of their membership. Many members do not qualify. Politics can be transitory. Honourable members know that. The expectation that everybody would qualify for pensions and the application of the surcharge on that expectation was out of this world. It was hopeless.

The solution that has been negotiated requires that the trustee calculate the employer's contribution, as at the point of exit, and then apply the 15 per cent. It is a simple but effective solution. I still have some problems with it, but it is much fairer. In other words, there is a cap over the entire period of service, with the member having the right to pay the lesser of the accumulated surcharge debt in his or her name or that which is calculated under the cap at the point of exit.

While the member can pay off the debt — that is an entitlement extended in the bill — my earnest advice would be that no member do so because the 15 per cent cap puts a floor in the surcharge. It effectively says that there may be no advantage under the cap but no member can be worse off by leaving the issue until the point of retirement. So no-one can be worse off under that provision. That is fair to members of the defined benefit schemes across the state, and I am happy to support that on that basis, but it is not the total solution. An overpayment may well be reflected in the accumulated surcharge in the name of the individual members. In many cases that will occur.

The remedy says the member shall not have to pay that and shall have the choice of paying the amount calculated at the point of exit, but the fact remains that whatever was accumulated in the name of the individual member has already been paid to the Australian Tax Office. That might be fair to the member, but it is grossly unfair to the taxpayer that that has already been paid. There is no provision to claw that back. It is another major hole in the system. In terms of fairness I give the solution 8 out of 10 as it applies to the member but about 3 out of 10 as it applies to the taxpayer.

The third sticking point related to a problem unique to the parliamentary scheme — that is, any pension entitlement forgone to meet the surcharge debt would be calculated using the 10-times rule, which is part of the trust deed of the parliamentary scheme. All that rule says is that, if a member's entitlement is $300 000 at the end of his or her membership term, that member is entitled to convert that to a pension of $30 000. That is what the 10-times rule is all about. Under some variations the member can decide to take part of one and part of the other. But it was clear that if the 10-times rule had been applied to the amount of pension required to be given up to settle the surcharge debt, as the rules originally required, that would involve another gross inequity in so far as it would impact on the surcharge and the entitlement at the point of separation.

Another gross disadvantage had not been anticipated. There is no rule book to go by, just a great big space in the assumptions. Two remedies have been negotiated. The first is that the calculation will now be based on actuarial assumptions. That is the calculation to be used to determine how much of a pension entitlement shall be required to pay off a surcharge — that is what we are talking about. We now have a commitment that that calculation will be based upon actuarial assumptions, the same assumptions employed to calculate the surcharge in the first place. On that basis it is dramatically fairer than the original assumption.

Given that each member will receive at least one and probably two assessments after exiting the scheme, under the new rules outlined in the bill, at the point of exit the trustees will be required to anticipate those future assessments and to ensure that the member pays a maximum of 15 per cent, irrespective of when that payment is made. Some lateral thinking is evident here. Given that the trustees are not able to treat with members once they exit the scheme, this clever set of

rules provides that while they are members the fund will organise the exit arrangements to ensure that no-one pays more than 15 per cent on the employers' contribution. I pay tribute to the officers who have been directly involved in the drafting of the bill, as that, in particular, is a very good solution.

Some reasonable solutions have been found to the major inequities and some guidelines are provided for the trustees. In the second-reading speech the guidelines are described as providing trustee discretion. They have been drafted to reflect the assumptions implicit in the solutions I have outlined. I asked why the guidelines were not attached to the bill but I am satisfied that that was not necessary given that it would have added another tier of complexity to the measure. In any event, what is contained in the bill conveys to the trustees the clear intention of Parliament. Today I am trying to determine that that clear message, together with the fiduciary responsibility of trustees, will ensure that the rules are applied to achieve a fair outcome. I am satisfied of that. The same trustee discretion guidelines will cover the situation of a fund holding deferred benefits on behalf of a member and there is also a fair outcome in those circumstances.

Much has been made of the extent to which retiring members of Parliament are alleged to have dodged their responsibilities. We have heard time and again that retiring members, particularly six cabinet ministers, have gone off into the gathering twilight and taken a slab of public money with them. I will demonstrate to the chamber how unfair that accusation is. Retirees from other schemes might be in such a position but we cannot report on those retirements because the extent of any benefit depends on the member's assessable income and no-one knows that or is entitled to inquire about it. We can only conjecture about whether retiring members of other schemes might be in the same position. We would need to make an assumption about whether their assessable income qualifies under the threshold. However, that should be left to one side, as it is privileged information and there is no way of our knowing it. In that context I recommend some caution in estimating the cost to the public purse. I see it cited as $3 million but that is only a guess because there is no way of knowing it in advance.

With the parliamentary scheme the media has automatically assumed that each member has reached the threshold of taxable income. There is no way of knowing that in advance and we are not entitled to know that even after the event. Caution is also warranted in considering other issues. Under the parliamentary scheme members' contributions flatten over time. There is an in-built assumption about the average term of service. In division 3, the member makes no further contribution at the expiration of 18.5 years service. In the case of a backbencher the employer would also make no further contribution. Therefore, by definition, there can be no surcharge.

Another bold assumption is implicit in the comments in the media and by some of our less-informed federal colleagues. Even if the trustee has made a payment on behalf of a retired member and that payment cannot be recovered from the member, that fact and the extent of that payment is notified to the Australian Taxation Office (ATO) and becomes part of the employer's contribution, which is reported at a later date. Even if the member seems to have gotten away with it, so to speak, that payment is reported to the ATO in the normal process. We presume it would therefore attract a 15 per cent surcharge payable by the member. My understanding is that the members who retired could have missed only one surcharge, that relating to the 1996–97 year, and in any event the surcharge was applicable for only part of that year. That was the only year a surcharge was paid by the trustee before the retirements. The rules state that the surcharge shall be payable by whoever holds the contribution on the day the surcharge is received. If the assessment is received after the members separate, it is simply mailed to the individual members. That is a far cry from the accusation in the daily media that members of Parliament have dodged their responsibilities.

I am informed that the 1997–98 assessment was received after the retirement date of the members who have been pilloried in this circumstance. The assessment for 1997–98 was sent to the ATO and presumably passed on to any member who gained access to a benefit. Alternatively, that advice may have been sent to another fund if the benefits were rolled over as the entitlement allows.

The media should be very careful about jumping to conclusions, particularly that retired members have dodged their responsibilities, because some very brave assumptions are being made. The first assumption is that the members had a taxable income higher than the threshold — and there is no way of knowing that. The second assumption is that members had not completed a term of service beyond the point at which the employer contribution ceases — and one can only conjecture about that. The third assumption is that the members were holding the contributions and that they had not been rolled over and were, therefore, being held by another fund. We do not know that and we are not entitled to know it. To the extent to which the fund may have paid a benefit on behalf of those members and could not recover it, we are talking about only part of

the 1996–97 year. In any event, that advice will be sent to the ATO and become part of the reported employer contribution in a later year and presumably attract tax.

In addition, those retirees will still receive their 1997–98, 1998–99 and 1999–2000 assessments and will not have the advantage of the 15 per cent cap introduced by the bill. They also will not have the advantage of the revised actuarial formula which would determine the amount of pension to be forgone to cover a member's accumulated surcharge. There are some distinct disadvantages in the bill for those members. That is dramatically different from the stories we saw in the media.

It is against that background that the conservative parties are prepared to support legislation they consider to be intrinsically flawed. To deny passage of the bill would be to visit greater inequity across the superannuation sector. The bill still reflects a tax on a notional income and therefore is bad law.

Let us consider the case of a retiree who elects to commute all or part of his or her entitlement to a pension. The trustee is required to have an actuary estimate the cost of providing that pension. The retiree's age, life expectancy, spouse entitlement and all such unknowns will be handed to the actuary who determines the present-day cost of providing that life pension. Then he or she deducts from that figure what the member has put in with interest. The difference is described as the employer contribution and becomes subject to 15 per cent tax. That is the way the system works.

Even when that sum is less than the accumulated surcharge debt and the member makes the rational choice to pay the 15 per cent tax calculated under the cap at point of exit, the tax is still unfair. Remember, the pension will still be taxable when the member retires. There will be a couple of issues at the margin such as the advantage of the undeducted purchase price and the 15 per cent rebate — I understand that — but the surcharge scheme means that the tax is paid by the member on income some years before it is received. What is worse, it might not be received if the member has the misfortune to walk under a bus the day after the entitlement matures. So it is still very wrong in principle and I am still upset by the concepts involved.

Apart from the surcharge the bill contains only one minor administrative matter and that is that it recognises the additional new committee of Parliament, the Economic Development Committee, and makes provision for the chairman's additional salary in the Parliamentary Salaries and Superannuation Act. I extend my sincere congratulations to the Honourable Neil Lucas. I am sure he will be pleased about the passage of the bill.

The only other changes, I presume, are there simply because the surcharge bill provided a vehicle to pass some housekeeping matters, and they are certainly supported.

In conclusion, I reinforce that this has been a very difficult issue for me personally because I have been torn between two alternate concepts of equity and fairness. I think the bill achieves a realistic compromise and I for one am pleased that that means the file can be closed.

Motion agreed to.

Read second time.

Third reading

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

That this bill be now read a third time.

I thank opposition members for their support. I appreciate the anguish and the difficulties presented to the Honourable Roger Hallam who contributed to the debate and thank him for his support for the legislation and his work in its development.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

HEALTH PRACTITIONER ACTS (AMENDMENT) BILL

Second reading

Debate resumed from 24 May; motion of Hon. M. M. GOULD (Minister for Industrial Relations).

Hon. J. W. G. ROSS (Higinbotham) — I am pleased to speak on the Health Practitioner Acts (Amendment) Bill and put on record that the opposition supports the bill. Its purpose is to amend the Dentists Act and the Medical Practice Act in the light of experience gained in the observance of the practical application of those pieces of legislation. That is not to suggest that the original acts were seriously flawed but

simply to recognise that the worldly test of practical experience can always result in improvement.

I am pleased that the opposition is in serious agreement with the government that both acts will benefit from some minor amendments. I will not go so far as to trivialise the work of members of the house by saying that they are tinkering at the edges of the legislation, but in reality that to some extent describes the situation. The opposition has consulted widely with various stakeholders who have an interest in the legislation, including the Victorian branch of the Medical Defence Association, the Medical Practitioners Board, the Victorian branch of the Australian Dental Association and the Dental Board of Victoria. On the basis of that reasonably widespread consultation with the peers of the various professions and in response to requests from those bodies, the opposition is more than happy to support the bill.

The consideration of those bills is another relatively simple step in a long series of reforms started by the Kennett government in response to the national competition policy. I am sure there is no need to remind the house that the Kennett government introduced template legislation for various professions, including those of optometrists, osteopaths, chiropractors, podiatrists, physiotherapists and dental practitioners.

In private discussions with the former parliamentary secretary for health, Mr Robert Doyle, I came to understand that he had some involvement in the early processes of the consultation and drafting of this legislation. He told me that the Nurses Act was also a subject for inclusion in the legislation. It is of some interest to him that Labor has excluded nursing from the bill. The registration process was supposed to make all professional registration consistent with the template legislation.

It is not necessary for me to go through the precise details of the bills clause by clause. A certain commonality runs through them so they can be considered together. The first issue concerns the recognition of a technical flaw. The template legislation did not make adequate provision for the partial or limited registration of medical students.

Early clinical contact for medical students with patients, especially in public hospitals, is important. I remind the house of the past practice of doing grand rounds, where the senior clinician would do the rounds of the hospital accompanied by an entourage of medical students. The students would be asked to undertake in some cases quite intimate physical examinations and they would be quizzed on the diagnosis they might have made in consideration of various signs and symptoms. The fact that there was no capacity to put an ethical overlay on medical students in such situations is a deficit. One might imagine, rare though they may be, instances of sexual impropriety of medical students who were immune from any form of investigation or sanction. The bill corrects that situation.

The bill also abolishes the Intern Training Accreditation Committee and substitutes alternative arrangements for the board to discharge its responsibilities relating to intern training.

Another aspect of the bill deals with medical practitioners who voluntarily relinquish or cease to maintain their registration. The bill enables a person to make a complaint about a practitioner who is no longer registered. A very cumbersome and impractical arrangement has existed in the past. There are many instances where individuals voluntarily surrender their registration and in some ways are then put beyond the peer control of the registration authorities. Instances that immediately spring to mind include those of women who perhaps graduate in medicine, get married and immediately assume family duties and who in due course may re-enter the work force in another capacity, simply regarding their initial medical training as a broad education that has application to other forms of work. No doubt there are women — and I am sure men also — who never seek registration on completing their medical courses.

Another example concerns professional persons as offenders against drug and restricted substances regulations and the laws relating to addictive drugs. There can be no doubt that over the years the access to narcotic drugs by nurses, medical practitioners and dentists has to some extent offered opportunities for individuals to maintain access to drugs of addiction in a way that other professionals are unable to do. It may be worth briefly discussing the professional person as an offender in those situations.

The professions as a concept have a very ancient history. We might regard the archetypal professions — as distinct from the more general and modern usage of the word — as individuals such as members of Parliament, lawyers, medical practitioners, members of the armed services, and members of the clergy. The historic precedent is that many of those archetypal professions have been subject to discipline as required and the imposition of ethical standards by their peers.

It has been long recognised by the secular community that certain professions enjoy the privilege of self-government, codes of behaviour and examination

of transgressions by their own tribunals. Those tribunals are: for the army, court martials; for lawyers, the various legal practice tribunals as the first ports of call; for the subjects of this bill, the medical and dental registration boards; for the church, the Synod; and for members of Parliament, the parliamentary privileges committees.

I hark back to the principle of the professional person as an offender. I recall particularly instances of medical practitioners who have got into difficulty with addictive substances. It has often been the attitude of the registration authorities to allow such people to voluntarily surrender their registration, move into rehabilitation and perhaps even be allowed limited registration to undertake the lawful practice of their profession but without prescribing rights. In one sense the principle of voluntary relinquishment of registration is not at all uncommon and needs to be addressed. The proposed legislation does that.

Clauses 5 and 36 amend the medical and dental practitioners acts respectively, requiring as a condition of registration that professionals make adequate arrangements for professional indemnity insurance. The respective registration authorities will consider the appropriateness of the cover of that indemnity insurance in terms of both the quantum and the extent of coverage across the professions. Most medical practitioners and dentists maintain sufficient professional indemnity insurance cover, but there are instances where individual practitioners may wish to chance their arm and if something goes wrong, it may be a patient or consumer who pays the final price.

In the consultations undertaken by the opposition, the Medical Defence Association of Victoria and the Australian Medical Association have raised some similar issues with which the opposition has broad sympathy and which it requests the government to take on board. It has not been the opposition's intention to seek amendments to the legislation. However, in the spirit of supporting the bill and because of the harmonious way in which the legislation has been assembled, with the opposition's early involvement when it was in government, it has some confidence that the government is willing to adopt on an administrative basis the concerns of those professional associations.

The first issue that has been raised is the inclusion of the word 'insurance' as an all-embracing term dealing with exposure to civil liability. The bodies I mentioned have rightly suggested that it is unacceptable to label as insurance processes that are not insurance. Accordingly, in general terms the associations have been willing to wait either to see the actual impact of the act or to seek the indulgence of the government to include expressions such as 'professional indemnity' in the ensuing administrative requirements that will flow from the passage of the bill. The opposition is comfortable in recognising the wide discretionary powers available to the respective registration boards and believes the issue can be suitably balanced on that basis rather than by pursuing detailed amendments.

The other issue raised is about the publication or broadcasting of the names of individuals who are the subject of formal hearings. The associations have commented that even if allegations were dismissed, the broadcasting and publication of the actual allegations could have severe negative impacts on the reputations of individual practitioners. The professional associations have been reasonable in that regard. They have accepted, without question, that serious adverse findings should be the subject of publication and broadcasting, as required.

The bill also provides for the supply of certain information to the board and requires that the Medical Practice Board, in particular, at the time of application for registration or renewal can take cognisance of any criminal record or other adverse circumstances that may compromise the registration of a medical practitioner.

I am also pleased that provisions about codes of practice are included in the bill. As part of that process of peer review and enhancement of the medical profession, the ability to prepare codes of practice that are binding to some extent on the process of registration can do nothing but good for the profession as a whole.

Nevertheless, in closing I am bound to say that the section 85 provisions of the principal acts remain. Irrespective of the goodwill that exists between the government and the opposition on the bill, I feel a responsibility to highlight the extent to which the former Labor opposition misrepresented the use by the Kennett government of section 85 amendments to the Victorian Constitution Act. The opposition believes they were a legitimate means of providing protection for the various authorities against action taken in the discharge of their responsibilities.

I throw out the challenge to the government that while the principal act was laid open before the house it had the opportunity to repeal section 85 provisions and give credibility to the rhetoric that the former Labor opposition peddled before it took the government benches.

The government introduced the Chinese Medicine Registration Bill without a section 85 statement. I refer

to page 42 of *Alert Digest* No. 6 of 2000, as tabled by the Scrutiny of Acts and Regulations Committee (SARC), where it is stated:

> The committee further notes that the Health Practitioner Acts (Amendment) Bill amends the Dental Practice Act 1999 and the Medical Practice Act 1994 but does not remove the section 85 provisions in those acts relating to the identical provision as in clause 56(3) above. Whilst the committee appreciates that it has not yet received a response from the minister to its request concerning the lack of a section 85 clause in the Chinese Medicine Registration Bill, it is concerned at the disparity in these model health-related acts as to the treatment of the identical provision concerning immunity for the respective boards established by those acts.

If the government wants to have model template and uniform legislation, it needs absolute consistency across all legislation. I dare say the SARC awaits with interest a response from the Minister for Health to its questions. I wish the bill a speedy passage.

Hon. KAYE DARVENIZA (Melbourne West) — I shall deal initially with the matter raised by the Honourable John Ross about the section 85 provision. The Health Practitioner Acts (Amendment) Bill was prepared prior to the government being advised about the common-law provisions that protect the board. The government has not repealed the section 85 provision in this instance; it has been advised that common law prevails and will provide adequate protection under the legislation.

I am pleased to speak on the bill, which has bipartisan support. It will do a number of important things for Victorians: it will improve health services for all Victorians regardless of where they live; protect the public through strengthening the board's ability to ensure that registered medical practitioners are competent to practise; and strengthen controls over the advertising of medical services. The bill also ensures that the legislation complies with national competition policy principles.

The Honourable John Ross has adequately covered some of the background to the review of health practices legislation, so I will refer to it only briefly. In 1990 a review of health practitioners legislation was undertaken. It recommended that model legislation contain a common core set of provisions that would be used to regulate each health profession. That model was first enacted through the Nurses Act in 1993, to which the Honourable John Ross referred, and the Medical Practice Act in 1994.

Over the years a number of modifications and refinements to the legislation have been deemed necessary. One example resulted from the national competition policy. The proposed amendments to the Medical Practice Act are similar to those contained in other pieces of legislation such as the Physiotherapists Registration Act, the Dental Practice Act and the Chinese Medicine Registration Act.

The main proposed changes to the Medical Practice Act will be to give the Medical Practice Board powers to obtain information from practitioners about criminal convictions and findings of guilt in indictable offences and judgments in medical negligence cases as well as to obtain evidence of satisfactory arrangements for either indemnity cover or insurance against civil liability.

The bill will also improve the board's ability to investigate practitioners by expanding the definition of unprofessional conduct and giving the board power to complete disciplinary processes involving medical practitioners who have ceased to be registered. It will also require medical students who have direct patient contact to be registered, and give the board powers to deal with incapacitated students. That was another matter raised by Dr Ross.

The requirement for students who have contact with patients to be registered with the board is an important change to the Medical Practice Act. Medical schools and hospitals are often ill equipped to deal with students for whom they are responsible and who are suffering from any form of ill health that would affect their ability to work directly with patients. The government has had discussions on the issue with student bodies, the Australian Medical Association and medical students. The question was also canvassed in the Medical Practice Act review discussion paper published by the Department of Human Services in October 1998. The public consultation process that followed demonstrated there is considerable public support for the proposal that medical students should be required to be registered.

Medical students may suffer from a range of conditions that may significantly affect their ability to have direct contact with patients. For example, there have been occasions when students who are training have suffered from psychotic episodes. There have also been other cases of students suffering from ill health due to drug or alcohol addiction. The provisions in the bill are designed to assist medical students so they are able not only to address their health problems but to do so with the assistance of the board so they can resume and, it is to be hoped, successfully complete their studies.

The bill gives the board the power to develop voluntary codes of practice for the guidance of practitioners, and guidelines for the minimum terms and conditions

required for professional indemnity insurance for practitioners. It also gives the board stronger powers to more effectively regulate advertising by making it an offence for a person to advertise a medical practice or medical or surgical services in a manner that creates or intends to create an unreasonable expectation of beneficial treatment. The bill also gives a panel power in the interests of justice to prohibit the publication or broadcast of any information that might enable a registered practitioner who is the subject of a formal hearing to be identified prior to a final determination.

The bill is important. Although it only tinkers at the edges, as Dr Ross pointed out, it provides the board with significant new powers to regulate medical practice in this state. That can only result in better health care for Victorians. It will make Victorians feel safer and more secure in accessing health care, whether it be through general practitioners, specialist medical services or the hospital system. The bill will improve health services for all Victorians. I commend it to the house.

Motion agreed to.

Read second time.

Third reading

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

That this bill be now read a third time.

I thank honourable members who have contributed to the debate — the Honourable John Ross, who as usual provided a great deal of detail and knowledge, and the Honourable Kay Darveniza, who — —

An Honourable Member — Erudite?

Hon. M. R. THOMSON — Yes, erudite, if you want it to be in *Hansard*. The Honourable Kay Darveniza made a succinct contribution in which she demonstrated a practical knowledge of the industry and how it works. I thank those honourable members for their contributions to the debate.

The bill is important. The government appreciates the opposition's support, which has ensured the bill a swift and timely carriage.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

Sitting suspended 12.58 p.m. until 2.03 p.m.

QUESTIONS WITHOUT NOTICE

Minister assisting the Minister for Workcover: responsibilities

Hon. W. R. BAXTER (North Eastern) — I expect that since the house adjourned at 2.44 a.m. this morning, the Minister assisting the Minister for Workcover has reflected upon her inadequate personal handling of the Workcover bill in committee last night. Will the minister give the house an undertaking that henceforth on bills of which she has carriage she will fully and professionally prepare herself for the debate?

Hon. M. M. GOULD (Minister assisting the Minister for Workcover) — The bill debated last night was an extremely detailed and complicated piece of legislation. I took the approach of ensuring that my responses to opposition questions were as accurate as possible.

Industrial relations: manufacturing industry

Hon. G. D. ROMANES (Melbourne) — Is the Minister for Industrial Relations aware of public statements made by the Leader of the Opposition in the other place about the proposed campaign by manufacturing unions and, if so, what are the industrial relations implications of those statements?

Hon. M. M. GOULD (Minister for Industrial Relations) — On 18 May the Leader of the Opposition had a rush of blood to his head and issued a press release in the Geelong region which virtually predicted the end of the world because of the upcoming union campaign entitled Campaign 2000. The Leader of the Opposition claimed that the campaign would see the Geelong region lose its competitive advantage over Melbourne business.

Imagine my surprise when four days later the Leader of the Opposition issued another press release in the north-western suburbs which was virtually identical to the one he released in Geelong. It was a cut-and-paste job, except the release in the Melbourne region indicated that it would lose its competitive edge.

The Leader of the Opposition has issued a number of press releases in different areas, and each of them says that those areas will be hit by a union campaign that has not even begun. The Leader of the Opposition tries to talk down rather than promote jobs in Victoria. He should not be scaremongering; he should be encouraging employers and unions to sit down and

negotiate outcomes that are beneficial to all parties. The press release states that the claim is for an 18 per cent pay rise and for shorter hours. The Leader of the Opposition well knows that it is an ambit claim and the amount will be much less. He should be encouraging employers — —

Honourable members interjecting.

The PRESIDENT — Order! I suggest that both sides of the house settle down and allow the minister to answer the question. I understand the question was about the industrial relations implications in the statement made by the Leader of the Opposition, and I presume the minister will address that matter.

Hon. M. M. GOULD — The Leader of the Opposition is the culprit as a result of the unions putting their claims, as is Peter Reith and the Workplace Relations Act as it applies in Victoria. They are encouraging conflict and encouraging unions to take legal action, as they are entitled to do, and employers to lock out employees as they choose. The Bracks Labor government believes industrial relations disputes should be settled through consultation and negotiation, and stones should not be thrown from the sidelines. They should not be picking winners but encouraging the parties to reach a resolution.

Electricity: Basslink

Hon. PHILIP DAVIS (Gippsland) — The Minister for Energy and Resources will be aware of the significant community concern in Gippsland regarding the proposed Basslink interconnect. Those concerns were supported this week in a press release from Brendan Jenkins who 'slammed the proposed Basslink connection' and made a call to 'put the Basslink proposal back into mothballs where it belongs'. Given that Mr Jenkins is a staffer of the minister's cabinet colleague the Minister for Agriculture, Keith Hamilton, will the minister confirm her support for the views expressed by Mr Jenkins?

Hon. C. C. BROAD (Minister for Energy and Resources) — As the honourable member is well aware, the matter of Basslink is subject to a planning process, which is the responsibility of the Minister for Planning. I am more than happy to be held accountable for my ministerial responsibilities. If Basslink makes its way through the planning process and is approved in whatever form it takes, I will take a keen interest in its implications for the state's electricity supplies.

However, in the interim it is not appropriate that I or any other member of the government express views because of the planning process, as the honourable member well knows. As for comments by others, the honourable member will have to address them to someone else.

Commonwealth Games: shooting

Hon. D. G. HADDEN (Ballarat) — Will the Minister for Sport and Recreation inform the house what steps he has taken to ensure that all parties involved in the Wellsford Forest rifle range development in Bendigo are not significantly disadvantaged during the development phase?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am pleased to announce that an additional allocation of $25 000 has been provided to the Bendigo branch of the Victorian Field and Game Association for the cost of relocating from Wellsford Forest to Goornong. The funding is in addition to the original allocation of $55 000. That brings the total allocation to $80 000, which will assist the association in establishing a new base at Goornong and provide it with the opportunity to expand and further develop the sport in the region.

The construction of the Wellsford Forest rifle range is scheduled to commence in June. That facility will provide Victoria with an international standard shooting facility capable of hosting major events and will be the site for the 2006 Commonwealth Games full bore rifle shooting program. The Honourable Ron Best has mentioned the issue to me and I note the work of the local member in the other place, Mr Bob Cameron, in his tireless efforts to ensure a good outcome is achieved for his constituents. I thank that honourable member.

The relocation of the association will take place over the next 12 months, providing adequate time to relocate and re-establish the facilities at the new site and not disrupting the building program at Wellsford Forest.

Snowy River

Hon. R. M. HALLAM (Western) — I refer the Minister for Energy and Resources to her response in the house on 11 May regarding the capital cost of returning environmental flows to the Snowy River and in particular her statement that it is not possible at this stage to indicate what the final cost will be. Is that because the minister has not commissioned the work to determine the estimated cost of the project, or conversely, is the estimated cost known but too sensitive to release to the Victorian taxpayers who will be asked to pay it?

Hon. C. C. BROAD (Minister for Energy and Resources) — The government has had work in

progress for some time in estimating costs associated with achieving water savings to contribute to increasing water flows in the Snowy River. That work in progress is continuing and is being progressively reported to the government. It is not a situation of the government being in possession of all information and holding it back. The work, by its very nature, takes considerable time and resources to undertake. Depending on the outcome of the negotiations and what the final settlement with the state of New South Wales and the commonwealth government is, the cost of the final settlement will be established at the completion of those negotiations.

Fisheries Victoria: *Fins*

Hon. JENNY MIKAKOS (Jika Jika) — Will the Minister for Energy and Resources advise the house on initiatives being undertaken to ensure the community is kept informed on changes taking place in Fisheries Victoria?

Hon. C. C. BROAD (Minister for Energy and Resources) — For those members who are not aware, I point out that in Victoria the value of the landed catch for the commercial fishing industry is around $120 million per annum. As part of that aquaculture production is valued at $18 million per annum. It is estimated that nearly 1 million Victorians participate in recreational fishing annually. Various estimates have been placed on the value of recreational fishing to the state of Victoria. Depending on whose estimates you rely upon, that can be well in excess of the value of the commercial fishing industry.

To date communication on issues affecting all sectors of the Victorian fishing community has been lacking. In the interests of ensuring that participants in the industry and in recreational fishing are kept up to date with crucial information, I am pleased to advise the house that a new magazine to be called *Fins* will be launched shortly. It is anticipated the department will be able to release it around the end of June to satisfy a significant part of the information requirements of the fishing community. The department expects that *Fins* will become a major source of information on key issues affecting fisheries in Victoria.

Hon. G. R. Craige — Will that replace the newsletter?

Hon. C. C. BROAD — It will not replace existing information. It will be in addition to various sources of information currently provided, but the magazine will have a much more consistent approach. The magazine will provide an opportunity to bring together information from industry sectors representing different interests, presenting a complete picture of issues affecting the industry across the board. It is anticipated that the publication will cover a broad range of material including recreational, commercial, aquaculture, research, management and aquatic habitat issues.

The two key features of the *Fins* magazine will be that readers will be encouraged to submit requests for information on topics of interest via a special feedback line. There will be an opportunity to respond to articles by submitting material for publication. The magazine will not simply be an opportunity for public servants to put forward their views; it will also be an opportunity for participants in industry and recreational fishers to put forward their views.

It is anticipated that the initial production run will be around 8000 copies, with about three issues published per year.

Hon. G. R. Craige — Can you put me on the mailing list?

Hon. C. C. BROAD — We will, indeed. It will be distributed to all commercial fishers and aquaculture licence-holders, with 4000 copies going to the broad community. I will ensure that members of Parliament are on that list. People will be able to subscribe on a regular basis. Also the magazine will be freely available on the Internet through the Department of Natural Resources and Environment web site.

Port of Melbourne

Hon. G. R. CRAIGE (Central Highlands) — Does the Minister for Ports support the Melbourne Port Corporation and the Australian Chamber of Shipping in their desire to abolish berth hire in the port of Melbourne?

Hon. C. C. BROAD (Minister for Ports) — The department has made submissions to the Regulator-General about those matters and is awaiting a response. Those submissions have raised issues about the Regulator-General's draft determinations.

Hon. G. R. Craige — Do you support them?

Hon. C. C. BROAD — I will be evaluating the responses when I receive them.

Hon. G. R. Craige interjected.

The PRESIDENT — Order! I suggest the honourable member settle down, listen to the answer and allow the minister to finish.

Hon. C. C. BROAD — The Melbourne Port Corporation has raised some very important issues in this area. The government supports the objectives the port corporation is striving to achieve in rationalising those charges. However, as the member well knows, this is not a simple matter and the final outcome on berth hire must be carefully examined in all its detail.

Olympic Games: weight-lifting

Hon. KAYE DARVENIZA (Melbourne West) — Will the Minister for Sport and Recreation inform the house of any further progress made by Sport and Recreation Victoria in the area of hosting pre-Olympic training in Melbourne?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I can confirm that Melbourne will host the Polish weight-lifting team for pre-Olympic training. This is the result of the coordinated efforts of the Victorian Weightlifting Association and Sport and Recreation Victoria. I know that the Honourable Ian Cover is a great fan of the Polish weight-lifting team and no doubt he will be excited about this. Negotiations are also currently taking place with four major weight-lifting nations to accommodate their pre-Olympic training.

The Polish weight-lifting team, along with an array of other international teams, will be training in Melbourne prior to the Olympic Games. That will provide significant economic benefit to Victoria. A number of those international teams will be accommodated in regional Victoria, which is very important as it will provide an opportunity for regional communities to capitalise on potential social and economic benefits. Extensive talks have been held with various teams and negotiations are progressing. Invitations have been sent to a number of other international teams, and tentative bookings and special arrangements have been made for accommodation and meals for those teams.

The Victorian Weightlifting Association has been significantly responsible for seeking international teams to train in Melbourne but Sport and Recreation Victoria has had extensive discussions with the Polish Olympic Committee and its weight-lifting association about establishing their training base in Victoria. We have formed a relationship with the Victorian Weightlifting Association to ensure that the accommodation of the team not only provides it with a fantastic environment in which to prepare but also a great opportunity to take in the delights of metropolitan and rural Victoria.

Infrastructure Planning Council

Hon. BILL FORWOOD (Templestowe) — On 24 November 1999 the Minister for Small Business said in this house:

> The small business sector will have specific representation on the Infrastructure Planning Council …

On 30 November in reply to a question without notice from my colleague the Honourable Wendy Smith seeking a guarantee that small business would have representation on the Infrastructure Planning Council, the minister reiterated a commitment to having:

> One small businessperson representing the interests of small business on the council.

Will the minister inform the house of who is the small business representative on the 13-member council announced last week or would she like to reflect on the accuracy of the information she gave the house twice last year?

Hon. M. R. THOMSON (Minister for Small Business) — There will be a small business representative on the Infrastructure Planning Council — there is another position to be filled.

Honourable members interjecting.

The PRESIDENT — Order! Members of the opposition are being totally unfair — just about everyone is shouting at the same time. Please keep quiet and allow the minister to answer the question.

Hon. M. R. THOMSON — That position has not been filled yet because the government is soon to announce the ministerial advisory council for small business, and the vacancy on the Infrastructure Planning Council will be filled by one of the small business representatives from that ministerial advisory council to ensure that small business is not only represented on the Infrastructure Planning Council but also has direct reporting to the ministerial advisory council.

GST: price increases

Hon. R. F. SMITH (Chelsea) — Will the Minister for Consumer Affairs please inform the house of what action Consumer and Business Affairs Victoria can take to protect Victorian consumers from the likely effects of the goods and services tax?

Honourable members interjecting.

The PRESIDENT — Order! I suggest the Honourable Theo Theophanous keep quiet and members of the opposition who are trying to help also keep quiet and let the minister answer the question.

Hon. M. R. THOMSON (Minister for Consumer Affairs) — I have detailed in this house a number of times the government's concerns about the capacity of consumers to make judgments about what is a fair price to pay for goods after the goods and services tax is introduced. I have written to the Honourable Joe Hockey, the federal Minister for Financial Services and Regulation, seeking some financial support for the office of Consumer and Business Affairs Victoria to enable it to assist consumers with genuine complaints of exploitation, to follow through on those complaints and to seek redress where exploitation has occurred. I am yet to receive a reply to that letter. The Australian Competition and Consumer Commission made it clear to a meeting of officials from consumers affairs departments around Australia that although it will be able to monitor and register complaints, the ACCC does not believe it will be able to follow up on complaints and seek redress for those consumers. Consumers are understandably confused about prices after the introduction of the goods and services tax.

On Tuesday the Australian Competition and Consumer Commission released a price guide for consumers, suggesting that the retail prices of one in four of the items in the shopping guide were expected to rise by about 9 per cent by the end of the year. Prior to the election Mr Costello suggested that the price of items such as gas would increase by only 3.9 per cent. However, the guide shows that the increase will actually be 9 or 9.5 per cent.

Of great concern to all honourable members is the expected rise of 8.8 per cent in the price of liquefied petroleum gas, which will mean, for example, that the current price in Mildura of 48.2 cents per litre will rise to 52.4 cents under the goods and services tax.

Speculation about a fair price rise for insurance has led to great confusion. Mr Costello said the rise would be about 0.8 per cent, but the price guide suggests that house insurance premiums will be anywhere between 7 and 9 per cent higher; contents insurance between 2 and 4 per cent higher; and vehicle insurance between 3 and 5 per cent higher.

Consumer and Business Affairs Victoria is concerned that complaints lodged by consumers to the Australian Competition and Consumers Commission will not be followed up. We are not resourced for that. The legislation will give the ACCC the authority to monitor and seek redress, but staff are already saying they will be unable to ensure redress for consumers who have genuine complaints and that the best way to deal with it is for all states to be involved in the process of ensuring that redress is available for exploited consumers. To that end, we seek funding from the commonwealth.

LAND (REVOCATION OF RESERVATIONS) BILL

Second reading

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

That this bill be now read a second time.

The bill provides for the revocation of permanent reservations of land described in the schedules to the bill. The bill removes these reservations either to facilitate disposal or because the purpose of the reservation is no longer appropriate for the future use of the land.

I turn now to the particulars of the bill.

Clause 3 of the bill deals with a 12.8 hectare racecourse and public recreation reserve on the Boort–Kerang Road in Boort. Approximately 3.5 hectares of the land comprises a racecourse, showgrounds and recreation facilities, with the remainder of the land used for cropping. The majority of the racecourse is located on adjoining freehold land that is owned by the Boort Park Trust.

The Shire of Loddon will transfer the ownership of the land currently used for the racecourse, showgrounds and recreation facilities to the Boort Park Trust. Council plans to use the remainder of the site for experimental horticultural activities.

Clause 4 of the bill deals with approximately 7.8 hectares of land reserved for hospital purposes in Playford Street, Stawell. The land makes up a substantial proportion of the former Pleasant Creek training centre for the disabled. The Department of Human Services has relocated the residents into community-based housing and decommissioned the site.

The land does not possess any public land values that warrant its retention in the Crown estate.

Clause 5 deals with a site of a public hall and free library reserve located on the corner of Smith and Williams streets in Lorne. The public hall had fallen into disrepair and was demolished in the early 1980s.

Since that time the site has been partially occupied by the State Emergency Service.

The land, together with adjoining freehold land is the site for a new Lorne Emergency Services complex comprising police station, SES, Country Fire Authority and ambulance service.

Clause 6 deals with a small part of a public park reserve at Albert Park, located to the east of the former St Kilda railway station.

The long narrow piece of land is required to allow the relocation of Balluk William Court in order to provide access to the proposed commercial and residential development on adjoining land and also to maintain access to housing owned by the Office of Housing.

The subject land is currently occupied by St Kilda Sports Club under a permissive occupancy agreement and forms part of the St Kilda Bowling Club. The proposed relocation of Balluk William Court will not disturb sporting activities currently undertaken by the bowling club. A heritage assessment of the St Kilda Sports Club site has indicated that the site is of national significance but the proposed road does not affect the heritage status of the site.

Funds have been made available to acquire land to be added to Albert Park to ensure there is no net loss of public park land.

The land falls within the definition of Albert Park as described in the Australian Grand Prix Act 1994. Therefore the bill provides for a consequential amendment to that act to remove the land from the definition of Albert Park.

Clause 8 deals with the Borough Chambers Reserve in Clunes. The land contains the former town hall and police residence. The site is currently being used and developed by Wesley College as a residential village for students. Revocation of the Crown grant is required to allow formal arrangements to be put in place for Wesley College to continue to occupy the site. The town hall will continue to be available for community use.

I commend the bill to the house.

Debate adjourned on motion of Hon. PHILIP DAVIS (Gippsland).

Debate adjourned until next day.

STATE TAXATION ACTS (MISCELLANEOUS AMENDMENTS) BILL

Second reading

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

That this bill be now read a second time.

The purpose of the bill is to make amendments to the employment agency provisions of the Pay-roll Tax Act 1971 and the marketable security and land-rich provisions of the Stamps Act 1958. The bill also repeals the Probate Duty Act 1962 and the Gift Duty Act 1971, and abolishes outstanding liabilities under the Probate Duty Act.

The Pay-roll Tax Act amendments are necessary to clarify the employment agency provisions to overcome an unintended consequence involving members of the same pay-roll tax group.

The Stamps Act amendments focus on the land-rich provisions and are designed primarily to:

remove potential tax avoidance opportunities;

protect state revenue; and

improve the effectiveness of the legislation.

The government has decided to abolish all the outstanding liabilities under the Probate Duty Act 1962, which does not apply to estates of persons dying on or after 1 January 1984. Because there is no further work for that act or the related Gift Duty Act 1971, the government has also taken the opportunity to repeal both these acts.

I will now address specific amendments in greater detail. Currently, the Pay-roll Tax Act deems the gross amount payable by a client for labour services provided under an employment agency contract to be wages. Clause 5 of the bill amends the act so that employment agency contracts do not include those arrangements where the parties to the contract are members of the same group within the meaning of the Pay-roll Tax Act. In such cases, any commission passing between related parties is usually nominal. The effect of the amendment is that only amounts paid or payable between unrelated parties will continue to attract the prescribed 25 per cent deduction from deemed wages, with this deduction reflecting an employment agency's commission.

Clause 6 of the bill amends the Stamps Act 1958 from 1 July 2000 by removing adhesive stamps as a means of paying duty for transfers of shares in private

companies, which have direct or indirect interests in land. This measure complements the land-rich amendments I later describe, and protects revenue by ensuring proper scrutiny of these transactions through lodgment at the State Revenue Office either in person or by mail.

The land-rich provisions are designed to prevent avoidance of conveyance duty where the ownership or effective control of land is altered through the acquisition of shares or units in a private land-owning corporation or trust, rather than by a direct transfer of land. Clause 7 of the bill amends the Stamps Act 1958 from 1 July 2000 by strengthening the land-rich provisions in three ways.

Firstly, the period for aggregation of separate interests acquired by a person or related persons is increased from 12 months to three years. The existing 12-month period is ineffective in overcoming sales over time through separate parcels, which can be used to defeat the land-rich provisions. To avoid any retrospective application it is intended to progressively increase the aggregation period from 12 months to three years from the date of the acquisition.

Secondly, the bill removes the 12-months limitation on the commissioner to make a declaration in respect of any asset manipulation designed to defeat the land-rich provisions. Such manipulation involves acquisition of assets for the purposes of diluting the required percentage of land property that triggers the land-rich provisions. Again to remove retrospectivity, the bill only lifts the limitation on declarations made after 1 July 2000 in respect of assets acquired after 1 July 1999.

Thirdly, a person who acquires a relevant interest in a land-rich corporation is required to lodge a statement in relation to that acquisition within three months of the dutiable event. There is no penalty for non-lodgment of the statement and therefore this requirement can be avoided until the transaction is detected by compliance activity and an assessment for duty issued. The bill provides a penalty of 500 penalty units for a body corporate and 100 penalty units in other cases as a deterrent for non-lodgment.

Probate duty was progressively abolished by all states following its abolition by Queensland in 1976 to avoid a mass transfer of assets to that state. In Victoria, the abolition was phased in and probate duty was completely abolished as at 1 January 1984 for persons dying on or after that date. For liabilities prior to that date, payment could be postponed if hardship might result for a beneficiary if, for example, a life tenant was entitled to remain in the deceased's home being the estate's sole asset.

The revenue collected or to be collected since 1984 generally represents amounts payable by pre-1984 estates which have not been administered previously or where collection of such duty has been postponed because of life tenants.

Future revenue is negligible and is estimated to be about $500 000. In these circumstances and given the costs associated with recovering these liabilities, the government has decided it would be more efficient to abolish all outstanding and future liabilities, both known and currently unknown, as provided by subclause 4(2) of the bill.

Gift duty was introduced in late 1971 as a measure to prevent people avoiding or reducing their liability to probate duty by gifting away their assets before their death. It was completely abolished with respect to any gift made on or after 1 January 1983. Unlike probate duty, there are no outstanding known liabilities.

Because the Probate Duty Act 1962 and the Gift Duty Act 1971 will now have no further practical operation, the government has decided to remove these acts from the statute book. Clauses 3 and 4 effect their repeal.

I commend the bill to the house.

Debate adjourned for Hon. R. M. HALLAM (Western) on motion of Hon. Bill Forwood.

Debate adjourned until next day.

CHILDREN AND YOUNG PERSONS (APPOINTMENT OF PRESIDENT) BILL

Second reading

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

That this bill be now read a second time.

The Children and Young Persons (Appointment of President) Bill elevates the status and authority of the long-neglected Children's Court and by doing so advances the government's commitment to promoting the position of young people in the Victorian community.

The bill creates the office of President of the Children's Court and establishes the Children's Court as a new court which is separate from the Magistrates Court.

The creation of the office of President of the Children's Court:

reflects the importance, increasing specialisation and authority of the Children's Court; and

will allow the Children's Court to develop its specialist responsibilities autonomously. The president will be able to promote the adoption of a consistent philosophy and set standards for the consistent treatment of young people in courts across the state. This advances the government policy of growing the whole of the state of Victoria and providing increased services to rural and regional Victoria.

The establishment of the Children's Court as a freestanding, separately recognised court also underlines its increased importance and specialisation. This change clearly demonstrates the government's recognition of the important role played by the Children's Court in our judicial system in providing a specialised court catering for children and young people in both the criminal and family jurisdictions.

The president will be a County Court judge appointed as president for a fixed term of five years by the Governor in Council. The appointment of the president of the new Children's Court will be on the recommendation of the Attorney-General after consultation with the Chief Judge of the County Court. The president will hold office in accordance with any terms and conditions specified in his or her instrument of appointment.

The bill provides for the appointment of an acting president who is a magistrate during any period when the office of president is vacant or the president is on leave or for any reason is temporarily unable to perform the duties of the president.

Appeals from decisions of the president

Appeals in Children's Court cases — except where a question of law is involved — lie to the County Court. Appeals on questions of law lie to the Supreme Court.

County Court appeals proceed as de novo hearings and the decision of the judge in the case is in most instances final. The issue arises as to how to deal with potential appeals from decisions of the president, because clearly it would be inappropriate for decisions of a County Court judge to be reviewed by the County Court.

The bill proposes that appeals from matters heard at first instance by the president will be heard in the trial division of the Supreme Court on both issues of fact and law and that such decisions will be final. Appeals from past decisions of the Children's Court senior magistrate will continue to be heard in the same way that they were heard prior to the passage of this bill. The bill does not otherwise propose any alterations to the appeal path in relation to decisions of Children's Court magistrates.

Section 85 statement

It is intended that the new section 13B inserted by clause 8 of the bill alter or vary section 85 of the Constitution Act 1975 to the extent necessary to provide the president in the performance of his or her duties as president with the same protection and immunity as a judge of the Supreme Court has in the performance of his or her duties as a judge.

This gives the president the same immunities that the County Court Act 1958 confers on judges of the County Court and the Children and Young Persons Act 1989 confers on Children's Court magistrates. As a matter of public policy, it is appropriate for the legislature to confer such protections on the holders of judicial office and important that those protections be consistent.

Clauses 11 and 12 amend sections 116, 197 and 198 of the Children and Young Persons Act 1989 to ensure that appeals from decisions of the president lie to the Supreme Court rather than to the County Court. It is the intention of sections 116, 197 and 198, as amended by this bill, to alter or vary section 85 of the Constitution Act.

The bill replicates the current system whereby the decision of the court hearing the appeal is final, and in most cases no further appeal rights lie. This is appropriate, for such appeals proceed as de novo hearings, where the appellant can in effect have a full second hearing of his or her case. It is desirable that a consistent appeal stream be adopted for appeals from decisions of the president.

Clause 17 amends sections 20 and 21 of the Crimes (Family Violence) Act 1987 to make similar amendments in respect of appeals from decisions of the president made under that act. It is the intention of sections 20 and 21, as amended by this bill, to alter or vary section 85 of the Constitution Act.

Again, the bill replicates the current process for appeals in family violence cases, except that the appellate court will be the Supreme Court. These appeals are also de novo hearings, and it is again appropriate that no further appeal rights lie.

Conclusion

Increasing the status and authority of the Children's Court demonstrates the government's commitment to ensuring that children who appear before the court, either by reason of offending or because of their vulnerable family situation, receive justice and compassion. These reforms recognise the need to treat young persons consistently with the notions of equity and social justice which are the foundations of our justice system.

I commend the bill to the house.

Debate adjourned on motion of Hon. C. A. FURLETTI (Templestowe).

Debate adjourned until later this day.

VICTORIAN LAW REFORM COMMISSION BILL

Second reading

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

That this bill be now read a second time.

In 1992 the former government abolished the Law Reform Commission of Victoria. The commission provided Victoria with a transparent public law reform process. It was well known for the quality of its reports on topics ranging from bail to enduring powers of attorney and from the law of rape to road traffic regulations. The commission consulted widely on its references and in turn garnered community recognition and acceptance.

It also earned itself a reputation for its pioneering work and considerable expertise in plain English as a drafting style not only for legislation but also for private legal documents. The work of the commission led to many significant reforms in the law.

This government is strongly committed to the establishment of a law reform commission with a charter to facilitate community-wide debate of law reform issues and to assist members of Parliament in identifying key areas of law reform. The aim is to place Victoria at the cutting edge in law reform across Australia.

There are a range of other sources of advice and ideas for law reform. In addition to law reform commissions other arrangements are often relied upon by government:

subject-specific specialist advice bodies;

special-purpose committees, boards of inquiry and royal commissions;

government departments;

parliamentary committees;

standing bodies such as the Australian Institute of Criminology; and

consultants.

It is the government's intention that the Law Reform Commission established by this bill will provide a focal point for law reform in Victoria and symbolise the government's commitment to a strong program of law reform.

The Victorian Law Reform Commission will closely resemble the former Law Reform Commission of Victoria in its structure, powers and functions. There are many law reform commissions operating in other common-law jurisdictions from which a model may be selected. Although there are any number of ways to construct and operate a law reform commission it is proposed to base the Victorian Law Reform Commission on the model of the old commission with some minor variations. The old commission operated highly effectively prior to its abolition and was seen to be a leading-edge organisation.

The re-established Law Reform Commission will be:

independent of government to enhance the integrity of the advice provided;

permanent in nature to bring a medium to long-term perspective to various issues and policies referred to it;

full time in its operation to provide the intellectual energy, commitment, consistency and time for contemplation, consultation and empirical study which are necessary to design and complete major research projects; and

authoritative in the provision of its advice.

Functions and powers of the commission

Part 2 of the bill deals with the establishment, functions and powers of the commission. The functions of the commission are to:

examine, report and make recommendations to the Attorney-General in respect of any proposal or

matter relating to law reform in Victoria referred to the commission by the Attorney-General;

examine, report and make recommendations to the Attorney-General on any matter which the commission considers raises relatively minor legal issues which are of general community concern if the commission is satisfied that the examination of that matter will not require a significant deployment of the resources available to the commission;

suggest to the Attorney-General that a proposal or matter relating to law reform in Victoria be referred to the commission by the Attorney-General;

monitor and coordinate law reform activity in Victoria; and

undertake educational programs on areas of the law which are the subject of a reference.

The bill empowers the Attorney-General to grant references to the commission as well as give directions to the commission as to the priority which it is to accord to each reference and the time within which it is to report. The Attorney-General will also be empowered to seek interim reports from the commission.

The Attorney-General will be looking to the commission and the general community for suggestions and guidance on what matters should be referred for inquiry by the commission.

Structure of the commission

Part 3 of the bill deals with the constitution and procedure of the commission. The commission will consist of a chairperson who will be a full-time member and as many full-time and part-time members as the Governor in Council considers necessary from time to time to enable the commission to perform its functions. The Governor in Council will appoint all members. Each member will be appointed for up to four years and is eligible for reappointment.

The bill does not set out qualifications necessary for appointment to the commission. This is deliberate. This will allow a great deal of flexibility in making appointments to the commission. Judges, academics and practising lawyers have much to contribute to law reform. However, they should not be the only persons eligible for appointment to a body dealing with major law reform. Much of the information which must be gathered and considered requires the expertise and insights of other disciplines if it is to be properly evaluated.

It is proposed that further flexibility be obtained by allowing the chairperson to appoint consultants to assist the commission with advice and criticism on matters under consideration. This will ensure that the commission has available to it the widest possible sources of information. It will also lead to a consensus approach to law reform with representatives of interested industries, employees and other groups invited to discuss all major initiatives from an early stage in their development until final decisions are reached.

The chief executive officer of the commission may appoint enough employees as is considered necessary for the purposes of the act. All such appointments will of course be subject to the commission's budget.

Finance and reports

Part 4 of the bill deals with finance and reports. The commission will be funded from two sources:

an annual sum from the Law Reform and Research Account already established under the Legal Practice Act 1996; and

an annual sum from consolidated revenue.

Clause 18 of the bill provides for a control on expenditure of the commission. This clause provides that money given to the commission must only be spent by it in defraying expenses incurred by it in performing its functions, including paying any remuneration, salaries or allowance payable to members, staff or consultants. The commission must prepare an annual report each year and is subject to part 7 of the Financial Management Act 1994. To further ensure fiscal responsibility and accountability to Parliament the bill provides in clause 20 that the commission must comply with any information requirement lawfully made of it by a house of the Parliament or a parliamentary committee. Information requirement means a requirement to give information of a specified kind within a specified period relating to:

the performance by the commission of its functions; or

the exercise by the commission of its powers; or

the commission's expenditure or proposed expenditure.

Finally there are also several financial controls on the commission set out in clause 6 of the bill. For example, the commission cannot acquire any property, right or

privilege for consideration of more than $250 000 without the approval of the Attorney-General.

The bill provides that the commission may from time to time, and must if required by the Attorney-General under section 5(2)(c), make an interim report on a reference. It also provides that the commission must prepare a final report at the end of its work under a reference. A copy of each interim and final report must be submitted to the Attorney-General. The Attorney-General must table each report before each house of the Parliament within 14 sitting days of that house after he or she receives the report. The commission must make all its reports available to the public whether or not a charge is imposed.

The Bracks government is committed to openness and restoring democracy in this state. The process of law reform should not be kept behind closed doors. The Attorney-General wants open and robust debate within the community on law reform. The establishment of the commission is a step in the right direction.

I commend the bill to the house.

Debate adjourned on motion of Hon. C. A. FURLETTI (Templestowe).

Debate adjourned until next day.

ARTS LEGISLATION (AMENDMENT) BILL

Second reading

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

That this bill be now read a second time.

The bill will amend both the Victorian Arts Centre Act and the National Gallery of Victoria Act to give to the council of trustees of the National Gallery of Victoria responsibility for the care, improvement and maintenance of the National Gallery building.

To enable this the bill will revoke the Crown grant over the land on which the National Gallery and part of the Victorian Arts Centre are situated and will give the trust and council control and management over the land they each occupy.

Consequently this will remedy the current situation whereby multimillion dollar improvements to the National Gallery appear in the annual financial statements of the Victorian Arts Centre Trust — a change supported by the Auditor-General's office.

The bill will also update the powers, functions and improve the operation of the trust and the council. It will empower the council to enter into Crown land lease or licensing arrangements to give effect to this new responsibility.

Additionally the bill will remove redundant functions of the trust such as the completion of construction of the centre, and the trust's functions will be expanded to contribute to the enrichment of the cultural life and cultural heritage of the people of Victoria and provide a leadership role in the promotion and development of the performing arts.

Consistent with the powers of other statutory arts bodies, the bill will remove the requirement that the trust obtain the minister's consent to enter agreements for the provision of services, hire of plant and equipment and the granting of a lease or licence or other commercial arrangements, update the powers, functions and improve the operation of the trust and the council.

Consistent with the government's policy that Victoria's visual arts collections should be innovative, accessible and protected as public assets, the bill provides for the trust's Performing Arts Museum collection to be established as a state collection within the Victorian Arts Centre Act.

I commend the bill to the house.

Debate adjourned on motion of Hon. ANDREA COOTE (Monash).

Debate adjourned until later this day.

HEALTH SERVICES (GOVERNANCE) BILL

Second reading

Debate resumed from 24 May; motion of Hon. M. M. GOULD (Minister for Industrial Relations).

Hon. M. T. LUCKINS (Waverley) — The bill arises from the ministerial review of the health care networks, which was commissioned by the Minister for Health and chaired by Professor Stephen Duckett. Its report has come to be known as the Duckett report.

The review was commissioned to examine ways to implement Labor's election commitment to dismantle the health care networks and to save $18 million per annum through a reduction in the costs of the bureaucracy. Clearly when it referred to savings in administration costs associated with the network Labor

plucked the figure of $18 million out of the air without considering where the cuts would be made and how it would fund more, albeit smaller, bureaucracies to run the health services.

The terms of reference of the review committee asked for recommendations on the optimal future configuration, governance and management arrangements for the metropolitan hospitals; on mechanisms to ensure the coordination of health services, promotion of consumer involvement and promotion of accountability for quality care in metropolitan hospitals; on how recurrent savings of $18 million per annum could be realised through reductions in network and related bureaucracies, including an examination of the role of departmental metropolitan regional offices; and for advice on implementation steps, including a required legislative change to achieve the proposed changes, if necessary.

The bill enables the government to disaggregate the 7 existing health care networks to create 12 networks and 2 private institutions, the St Vincent's and St Georges hospitals. Labor argues that the increase in boards of management and administration requirements will not lead to any reduction in cost efficiency, purchasing power or economies of scale for hospitals. I find that claim hard to accept. The savings made from the elimination of duplication and the need to purchase and maintain the same equipment in each hospital and from the reduction in administration requirements through central payroll management and accounts departments following the establishment of the existing networks in 1995 were directed into patient care and new technology.

The second-reading speech concurs with that view. It states:

> The government agrees that networking of hospital services provides many benefits for patients, clinicians and the health system as a whole.

I recall the howls of protest from the then opposition, the current government, when the former Kennett government accepted the recommendations of the Metropolitan Hospitals Planning Board in 1995 to create the networks — that is, combining 30 hospitals to form seven networks.

Having the responsibility of government Labor now acknowledges that the scare campaign against the network system was unjustified. In fact the Duckett report does not recommend the dismantling of the health care network system, as Labor intended. Five of the existing seven networks will remain basically unchanged, and only two will be divided into what I will refer to as mini networks.

The second-reading speech goes on to state:

> Contrary to the vision of the planning board, some health care networks have become too large and unwieldy.

Although the Duckett report agrees with that assertion and recommends a realignment, that action bears no relation to Labor's promise to deliver $18 million per annum in cuts through reductions in the bureaucracy. I look forward to monitoring the new bureaucracies. I am sure it will cost more to administer the hospital system in future years.

Page 4 of the executive summary in the Duckett report states:

> The review panel notes that one of the achievements of many health care networks has been the integration of corporate support services including finance, human resources, information technology and supply and engineering. Health care networks with fully integrated support services have identified cost savings in the delivery of these services and have also indicated that greater levels of in-house expertise in specialist areas are affordable by health care networks when the costs are shared.

Those savings will be lost following the disaggregation of some networks. The report further states:

> In the terms of reference you asked us to find savings of $18 million per annum. We have achieved that, although the savings will not be achieved immediately because of the need to absorb staff through attrition and redeployment or make redundancy payouts.

I am sure that quotation will strike fear into the hearts of many clinicians and administrators in the hospital system about the future of their jobs. There is also a great concern that valuable, experienced and capable people within the system will be permanently lost.

This will only place additional strain on the health system and have a detrimental effect on patient care. The report goes on to say:

> The savings come from reduced bureaucracy and improved efficiency and support functions; thus there will be no adverse impact on clinical services. However, as we argue in chapter 4, the existing health care network system is not financially sustainable and additional expenditure is needed to put the system right. The review panel has thus been forced to make recommendations to achieve financial sustainability of the system.

Labor is now faced with the consequences of going off half cocked. Labor in opposition had a philosophical problem with networks, just as it has a philosophical problem with freeways. The Duckett report recognises

the benefits of the networking concept and Labor in government will have to wear the consequences.

Labor thought that trumpeting cuts to fat-cat administrators, as they were portrayed, would woo voters. With no consideration of the impact of cuts to the health sector, Labor plucked a figure — $18 million — from the air and said, 'Professor Duckett, move mountains if you have to, but we need to find those savings and to hell with the consequences'. Much to Minister Thwaites's dismay, the expert review panel has said that, firstly, the savings will not be immediate and, secondly, that more new funds are required to address stresses in the health system that are not only evident in Victoria but in every Australian state and overseas. In Australia, Labor's philosophical problem with private health cover has resulted in increased pressure in the public health system. The public health system demand continues to rise and the capacity for government to provide for the increase continues to fall.

I have no doubt that Labor will try to squib on its election promise to find $18 million per annum to be directed into cleaning and patient care by attempting to blame the previous government for the increased demand for services. Labor governments, both state and federal, have been the major contributors to the challenges Australia faces in health today.

Before I move to the recommendations of the Duckett report, I shall comment on other matters alluded to in the second-reading speech. It refers to the requirement for each board to include at least one person to reflect the perspectives of users of health services and states that that is particularly important to ensure that boards are consumer focused and do not lose sight of the interests of the people the agency exists to serve.

I take exception to the inference that members of hospital boards, particularly community representatives, have been anything other than committed to patient care. Since the establishment of hospitals in both city and country areas many individuals have contributed not only to their construction but to the purchase of equipment. Countless committed individuals have given freely of their time to give something back to their communities.

Before I entered Parliament I met many people who over the years were representatives on health boards. My mother, Terri Marley, worked in a voluntary capacity on many health boards. She served as vice-president of the Berwickwide community health service, the Monashlink community health advisory committee and the Dandenong Hospital board of management.

All those entities have been under the Southern Health Care Network umbrella since 1995. That network is the only one in the existing structure that has integrated community health and hospital services, which provides better links to secondary and tertiary care for patients, better access for staff training and expertise, a more equitable distribution of resources and the capacity for the demographic needs of a specific area to be met.

The community health service entities I mentioned have completely different needs. The needs in the growth corridor around Berwick and Pakenham, with a young and ever-growing population, include more access to speech pathologists, childhood dental services and youth counselling. In contrast, the needs in the catchment area of Monashlink, based in my province, are for aged care services and denture and menopausal women's health. Under the umbrella of the network, those entities have been able to respond to changing needs and to vary the services they deliver.

The Duckett report recommends the disaggregation of two of the existing networks and minor changes to others. Dr Ross will expand on the decision to remove the Sandringham hospital from the Southern Health Care Network. I will refer to the recommendations on the Monashlink community health service in my province. The Duckett report recommends that:

> Monashlink be established as a separate community health centre. This would facilitate aligning the boundaries of this service and the successor to Southern Health Care Network with aged and mental health service boundaries.

I understand the staff of Monashlink pushed for separation from the Southern Health Care Network. The staff and boards of management of the Berwickwide community health service have chosen to stay with the Southern Health Care Network. One of the real challenges for Monashlink is the regional boundaries under which it is forced to work. It falls into both the eastern and southern region. For Monashlink in particular, this results in many anomalies in the funding provided through each Department of Human Services (DHS) region for specific programs within that region. With services operating in two regions, economies of scale and accounting procedures for monitoring expenditure are extremely difficult. Monash council faces the same challenges.

The Southern Health Care Network, based in the southern DHS, accepts those difficulties and has worked with Monashlink to address them. The network

will be sad to see Monashlink go its own way, but accepts its decision. I hope the regional anomaly affecting the Monash area will be addressed.

The bill is complex and ambiguous. That flexibility is necessary because it is the only way the government can review a number of options for reaggregation that have been flagged by the review. The government will need to work through the proposals to ensure they reflect the best results for patient care. The bill deals with procedures for successor health care agencies in relation to staff entitlements, trusts and donations made in wills to specific entities that may have changed over time.

I have reservations about the bill and will note with interest the implementation of the changes and monitor their cost implications.

Hon. KAYE DARVENIZA (Melbourne West) — It gives me pleasure to speak on the Health Services (Governance) Bill, which will see the commitments of the Bracks Labor government's health policy put into place. The previous Kennett government left Victorian hospitals in an appalling state. I know that from first-hand experience with hospitals, both prior to the networks being put in place and during their existence. Together with the rest of Victoria I watched as Melbourne's hospital systems were pushed to the point of bankruptcy.

The honourable member who spoke before me outlined the Duckett report, entitled the *Ministerial Review of Health Care Networks — Final Report*. It found that seven years of Kennett government cutbacks to state hospitals have left two metropolitan hospital networks technically insolvent. In 1992–93 when the Kennett government came to power metropolitan hospitals had current assets of $76 million, but by December 1999 a deficit of $12.5 million.

I am distressed to report that one of the networks that has been pushed to the point of bankruptcy and is technically insolvent, as identified in the Duckett report, is the North Western Health Care Network, which is responsible for providing health care services to constituents in my electorate of Melbourne West Province.

I know that that was one of the poorer networks to begin with: it had insufficient funding when it was established and limited assets with which to operate. For that network to continue to provide services following year after year of Kennett government cutbacks, it was forced to reduce vital services. The North Western Health Care Network was not alone in that situation. Networks across metropolitan Melbourne were forced to cut back. They were forced to reduce services to patients and clients they cared for. Beds were closed in the networks and hospitals.

Staffing levels were reduced across health care services. The Kennett government gave voluntary departure packages to nurses. Victoria now has a chronic shortage of nurses across the state — not just in metropolitan health services but in country health services as well. What happened to those nurses who had been working in the system for many years? The Kennett government gave them redundancy packages, telling them, 'We are closing services and beds and we won't be delivering the same standard of quality and care. You can take a voluntary redundancy package'. Where did many of those nurses go? They were recruited to Queensland. A huge recruitment campaign was run in Victoria by the Queensland health service. Nurses were offered incentives to go to Queensland, and many of them are still there.

Services were cut, beds were closed, staff levels — including nursing staff — were reduced, and equipment and facilities were downgraded or simply allowed to run down. By way of example I mention the radiology department at the North Western Health Care Network. It has to have the most antiquated, run-down radiology services anywhere in metropolitan Melbourne. I have never seen radiology services in such a poor state. Never mind state-of-the-art facilities; the radiology department is so far from state of the art it is amazing the service is still running. That radiology department services people in all of the western suburbs, including my constituents in Melbourne West Province.

The North Western Health Care Network was forced by the previous government to sell off its assets. It had few assets, unlike some of the other networks and hospitals. It was forced to sell off its already poor level of assets to keep its operations running and to fund additional capital expenditure.

Under the Kennett government assets were secretly sold off by the health care networks so the hospitals could survive. At the same time as hospitals were trying to survive and networks were selling off their assets beds were being closed, services were being reduced and nurses were being made redundant, the networks were offering huge packages and salary incentives to the chief executive officers (CEOs). Packages of $350 000— enormous salaries — were offered to the CEOs to run the networks while the networks were becoming insolvent and bankrupt. It is a damning indictment on the impact of the Kennett government years on the Victorian public hospital system.

The bill will enable the replacement of the health care networks with new public statutory health care agencies, which are more community focused and responsive to the needs of the users of health care services in metropolitan health services. The Duckett review found that the larger networks of the current health care networks were too large; that they place an undue emphasis on commercial viability in their operations; and that the emphasis on commercial viability is at the expense of quality of patient care.

In summary, the bill contains a range of mechanisms that will enable changes to the legal and governance structures of metropolitan hospitals — that is, the health care networks. The bill is enabling only and does not identify the new hospital configurations. However, the Duckett report puts forward certain proposals. The Honourable Maree Luckins alluded in her speech to there being no changes to a number of networks. She was correct in that there will be no changes to the Women's and Children's Health Care Network and no changes to the Peninsula Health Care Network. There will be changes at the margin to the Southern Health Care Network; significant changes to the Inner and Eastern Health Care Network, which is one of the largest health care networks operating; and major changes to the North Western Health Care Network, again one of the largest health care networks.

The bill enables the creation of metropolitan health services as incorporated public statutory authorities governed by boards which will replace the current health care networks. There will be 12 new metropolitan health services — the Southern Health Service, the Western Health Service, the Eastern Health Service, the Northern Health Service, the Bayside Health Service, the Royal Melbourne Hospital, the Peninsula Health Service, the Women's and Children's Health Service, the Austin and Repatriation Medical Centre, Dental Health Services Victoria, the Peter MacCallum Cancer Institute and the Royal Victorian Eye and Ear Hospital.

The 12 new metropolitan health services will replace the huge and in some instances unwieldy system of the seven health care networks. They will refocus hospitals on patient needs, on the needs of the community, and on quality of care and services.

The bill provides for the establishment of metropolitan health service boards. The boards will be made up of between six and nine directors. The boards will be appointed by the Governor in Council on the recommendation of the Minister for Health. Each board will include at least one person who is able to reflect the perspective of the users of the health care system.

Unlike the honourable member who spoke before me, the Honourable Maree Luckins, I welcome the bill. It is important that health care services, whether in-patient hospital services, community-based services or services such as radiology and pathology, are offered by larger networks and by metropolitan health services when established.

It is important to have a consumer focus and boards must be reminded constantly that they are there to look after the patients and other consumers who require their services. Having one person on each of the boards to reflect that perspective is a very positive move. The Minister for Health must ensure that women and men are adequately represented on a board to reflect the community accessing the health care services. The directors of the boards will be appointed for up to three years and will be eligible to serve up to three consecutive terms. The Governor in Council will have the responsibility of appointing the chairs of the boards.

The functions of the metropolitan health services boards are set out clearly in the bill. They include overseeing the management of the metropolitan health services; ensuring that they are accountable and effective providers of health services; and ensuring the financial viability of those services. It is necessary to set that function down in legislation given that currently the networks are being forced to the brink of bankruptcy and technical insolvency.

Other functions of the metropolitan health services boards are to develop strategic plans for the approval of the Minister for Health; to ensure effective and accountable systems are put in place; to monitor and improve the quality and effectiveness of services provided by the metropolitan health services and ensure that any quality issues are addressed in a timely manner; and to develop arrangements with other agencies and service providers to enable effective and efficient service delivery and continuity of care. That last function is also very important. Often more than one aspect of the health service is needed to deliver treatment to an individual. Inpatient service and some outpatient services are often followed up with domiciliary care and even access to community health centres and the like.

The boards will also have the responsibility of establishing and maintaining effective systems to ensure that the health services provided meet the needs of the community serviced by the metropolitan health service and that the views of users are taken into account. It is important for the metropolitan health services to take into account what people think about the services they provide. The bill provides that each

metropolitan health service must establish at least one community advisory committee and a primary care and population health advisory committee. The boards can also establish other committees as they see fit.

The bill provides mechanisms to enable the transformation of the existing health care networks into health care services. That can be achieved in a number of ways. The previous speaker outlined concerns about the restructuring and transformation and the effect it would have on services and personnel in the health care networks. The transformation mechanisms outlined in the bill are very effective.

The transformation can be effected in two ways. The first does not involve disaggregating the existing networks because the bill provides for the transformation of an entire network into a metropolitan health service. In those circumstances the former network would cease to exist as a legal entity and all staff — other than the chief executive officer — property, assets and liabilities would be automatically transferred to the new body. The staff will transfer on their current terms and conditions with existing entitlements and continuity of service being preserved.

The second way of transforming current networks into metropolitan health services is by disaggregation. The bill provides for the allocation of staff, property, assets and liabilities to be transferred to new agencies — that is, the metropolitan health services and community service centres. Staff, property, assets and liabilities will need to be identified for the purposes of the transfer and staff will be transferred on their current terms and conditions with entitlements and continuity of service preserved.

In conclusion, the bill sets up hospitals with better management. The government is also giving those hospitals additional funding. In the recent budget hospitals received an additional $167 million which will lift the baseline funding after years of cost cutting. The bill will establish metropolitan health services more in touch with the communities to which they are responsible for providing services than is currently the case with the networks. That will be good for patients and hospitals. I commend the bill to the house.

Hon. J. W. G. ROSS (Higinbotham) — I am pleased to speak on the Health Services (Governance) Bill and to advise the house that the opposition does not oppose the bill.

However, I preface my remarks by referring to the appalling misrepresentation by the Honourable Kaye Darveniza of the Kennett government achievements. She continued the mantra that the previous government was subjected to throughout its term of office and the misrepresentation of the previous government's achievements in the health service sector.

The Honourable Kaye Darveniza showed that the Labor Party has all the hallmarks of a government that will be obsessed by the concept of disease. The truth of the matter is that the United States Surgeon-General has repeatedly claimed that up to half the morbidity currently treated in public hospitals in contemporary Western society is amenable to reduction through the processes of health promotion and prevention. I will not talk about that today but any Minister for Health worth his salt would be putting in place community programs designed to keep people out of hospital rather than simply responding to an ever spiralling incidence of disease.

The preoccupation of the Honourable Kaye Darveniza with hospital beds is another symptom of a total misunderstanding of a proper and wisely articulated philosophy of health.

The truth is that health services are supply driven. For every extra bed put into the system there will be three or four doctors standing by waiting to fill it with patients. Consumers are non-critical analysers of the services offered to them by professional practitioners. Every health economist around the world worth his or her salt knows a delicate balance must be struck between the supply of facilities and the needs of the community.

The Labor Party is obsessed. Its constant mantras are to do with the pulling down of the achievements of the Kennett government and the desire to distract the attention of the most vulnerable people in the community. Both mantras are driven purely by politics.

Having said that, I point out that the main purpose of the bill is to enable the reorganisation of the metropolitan public health care agencies. The opposition recognises that matter was taken to the state election and, notwithstanding the misrepresentation that was repeated year in, year out, the government is doing exactly what it said it would do in the lead-up to achieving the government benches. It is also known that shortly after the election in November the new Minister for Health established a ministerial review of health care networks. He engaged Professor Stephen Duckett to chair the review and advise him on the establishment of new governance for metropolitan hospitals.

Professor Duckett was also directed to find ways and means of meeting Labor's election promise to reduce

the size and cost of bureaucracy and find savings of $18 million per annum — not $17 million or $19 million, but $18 million. It was a very precise direction. My initial reaction to the process was that the government had put in train a prejudiced inquiry, that the outcome would inevitably be constrained by the terms of reference and that it was unfair to every member of the review team.

Those constraints have more sinister implications. The Labor Party has a tendency to move away from the Westminster tradition of government and objectivity implied in the analysis of public sector needs. Once again, this is an example of that almost imperceptible shift in the machinery of government from Westminster to Washington. Make no mistake, that shift is being driven hard by the Labor Party. To his credit, Professor Duckett probably agrees with me. In an article on page 27 of the *Weekend Australian* of 20 and 21 May Gabrielle Chan reports:

> Former health secretary, Stephen Duckett, argues for politicising senior levels of the public service as a legitimate way for the government of the day to implement policies for which it was elected. 'People elect governments and if they feel they need someone ideologically similar to implement policies then that is okay,' he says.
>
> Duckett also welcomes the appointments of public service outsiders. 'It's a good thing to expand the gene pool,' he says.

I put on record that I do not share his views. I would opt every time for objectivity and scientific purity in analysing public sector needs.

I acknowledge the history of the contributions, for example, of the Cain government in closing the Queen Victoria Medical Centre and transferring it to the Monash Medical Centre in Clayton. I also acknowledge in the spirit of comments in relation to Professor Duckett that at that time as a senior officer of the then Health Commission and as a professional public servant trained and respecting Westminster traditions I accepted my responsibility to faithfully serve my political masters, former health minister Tom Roper in particular.

Nevertheless I will briefly revisit the past and point out that when the coalition took over in 1992 the public hospital system was on its knees. Its infrastructure was depleted and totally unable to meet the needs of a community in need of a modern system of health care delivery. The truth is that 60 per cent of all acute care resources were concentrated within an 8-kilometre radius of the Melbourne general post office. The Kennett government set about making the entire hospital system more accessible and moving the facilities to where the people lived. Even the most cynical observer would have to admit that the coalition had a vision of geographic equity that was typified by proposals for new hospitals in the growth corridors of Berwick and Knox.

The previous government had entered into complex discussions with the Sisters of Charity and the board of St Vincent's Hospital, purely with the objective of moving facilities closer to the communities they served. In an attempt to do that the Kennett government established the health system's Metropolitan Hospital Planning Board and provided the blueprint for the present health care networks. The terms of reference of the board set up by the Kennett government state:

> The board may seek advice where it wishes, obtain submissions from the widest practicable range of individuals, professional bodies and interest groups and conduct hearings and inspections as required. In undertaking these tasks the board will adopt as far as possible the perspective of a consumer of services.

I cannot help but compare that freedom to pursue the best health interests of the community with the weasel words communicated to Professor Duckett by the Bracks government and the subsequent obedient delivery of a predetermined political outcome. It is not health economics and it certainly is not science.

The truth is that the study has been forced to conclude, lest it become totally irrational, that the networks were generally robust and efficient. Between 1992 and 1999 the number of public patients treated in Victorian public hospitals increased by 300 000. Waiting lists in category 1, which is the most serious category in surgical requirements, were reduced from 1000 when the Kennett government came to office to zero when it left.

I take up the allegation of the Honourable Kaye Darveniza that the health care networks are technically insolvent. The suggestion of Professor Duckett on page 33 of the *Ministerial Review of Health Care Networks — Final Report* that the Austin and Repatriation Medical Centre and the North-Western Health Care Network are technically insolvent is just blatant political rhetoric. It states:

> These two health care networks have the least access to business revenue and substantial public contributions, and are technically insolvent by normal commercial criteria, after selling available investment assets …

It certainly is true that the Kennett government required hospital networks to abide by normal commercial accounting principles and to bring their liabilities to book on an accrual basis.

But the truth is that those facilities had the asset backing of the government and a AAA credit rating to boot. I am certain Professor Duckett would recall that not so long ago, under the Cain–Kirner governments, Victoria had a so-called deficit funding of public hospitals where the whole caboodle was underwritten by the government. We had the inane situation of hospital managers going to the Health Commission, as it then was, with an unaquitted set of claims for funding their budget overruns.

I know the Labor Party has a problem with privatisation and that its knee-jerk reaction to the plans of the Kennett government to establish health facilities, particularly hospitals, in the eastern suburbs presented it with some difficulty. I remind the house that the first government to privatise health services in Victoria was the former Labor government when it entered into a contract with the Sisters of Mercy to build, own and operate the Werribee Mercy Hospital.

The Labor Party's hypocrisy on hospital issues is nothing short of breathtaking. The truth is that the restructuring of the health networks proposed in this report is mostly cosmetic. The only networks that would be substantially disaggregated are the Eastern Health Care Network and the North Western Health Care Network. As I have already said, the opposition does not oppose that. These changes are understandable: the current situation is the result of a whole range of antecedent complexities, including discussions for the delivery of services in association with St Vincent's Hospital.

But the point I shall dwell on is the recommendation of the Duckett report to retain the Southern Health Care Network. In respect of that network, a careful analysis of the situation at page 49 of the report left the Labor government with not a feather to fly with. It states:

> A large number of submissions argued for the retention of the Southern Health Care Network and in particular, that Dandenong Hospital should not be separated from other hospitals in the health care network.

And:

> … the review panel believes that the benefits of the clinical integration across the hospitals in the existing health care network outweigh their negatives …

With a finely detailed analysis of the Southern Health Care Network and a predetermined outcome placed before it, the Ministerial Review of Health Care Networks could do little more than make the suggestion that for purely cosmetic reasons the Sandringham and District Memorial Hospital should be hived off. Again the Bracks government has been more concerned with its political dogma than efficiency, and come hell or high water it was its intention that that network would be disaggregated at least to some extent. Unfortunately, the only marginally viable candidate for separation is Sandringham hospital. That proposal is irrational, bloody minded and unreasonable.

The hospital management, the local medical practitioners, the emergency services staff, the surgeons, the Southern Health Care Network management and the wider community are all agreed that Sandringham should have been left as an integral part of the existing network. In its integrated position within the Southern Health Care Network that facility has been providing excellent services and at 30 June this year it will have a record level of throughput in general surgery and obstetrics. The proposal to interfere with that situation is very difficult to understand.

Orthopaedic surgeons in particular have been especially strident in their criticism of the idea of excising the Sandringham hospital from the collegiate support it enjoys from the Southern Health Care Network. Here is a particularly curious situation: the Duckett report has recommended that the local obstetric services provided by Sandringham hospital should be continued and that those services should be aligned with a metropolitan health service with a strong tertiary obstetric role. In the light of that recommendation I can see no rationality for the government to require Sandringham hospital to be aligned with the Alfred hospital because it does not provide tertiary services in obstetrics.

Hon. M. T. Luckins interjected.

Hon. J. W. G. ROSS — As Mrs Luckins says by interjection, Monash does. The hospital has worked very well with its vertical integration with senior clinicians at the Monash Medical Centre in Clayton. Therefore, there are no earthly clinical reasons why the Sandringham hospital should be excised from the network.

One might ask whether there is some financial reason for it. Could one expect some economies of scale to be delivered by such disaggregation? Let me just quote the relativities. An annual budget of the Sandringham hospital in the order of $25 million, compared with $450 million for the whole network, is like a pimple on a pumpkin. It is absolutely irrational on economic grounds to suggest that savings will accrue by that form of disaggregation. Why was it done? The answer is simple: it was an election commitment.

In that region the former Mordialloc–Chelsea community hospital has been finetuned and developed

into one of the finest community health centres in the state. The Bentleigh Bayside Community Health Centre serves its community well and in a different way from the previous facility. The community has come to appreciate that the Kennett government was willing to bite the bullet and change the role of these facilities in accordance with consumer demand. When the Mordialloc–Chelsea hospital was built young families in the area were having children; these days it is one of the areas with the highest population of aged people, and they require a different level of support. Likewise the Bentleigh Bayside Community Health Centre has developed a range of services that complement the Southern Health Care Network.

I am also particularly chuffed with the recommendation of the Duckett report for Monash Link to detach from the network because it was through my representations on behalf of the then East Bentleigh Community Health Centre and the Central Bayside Community Health Centre to the then Minister for Health, the Honourable Rob Knowles — when some hegemony was being exerted over those community health centres and inducements being offered for them to join the Southern Health Care Network — that Minister Knowles made it perfectly clear that the decision on whether to associate with the network or maintain their independence was a decision for boards, and boards alone. The truth is that both those community health centres chose to maintain a separate identity from the Southern Health Care Network. They have flourished, their catchment areas are now aligned with local government areas, and for the first time community health services are being delivered to areas such as Brighton.

The electorates of Sandringham, Bentleigh, Mordialloc and Brighton are shining examples of a decent system of health care delivery to local communities.

The changes are driven by an election commitment. The proposal to break up seven health care networks and replace them with 12 networks is generally cosmetic; it will only engender 18 months of instability. In closing, I refer to the findings of Professor Duckett on the anticipated $18 million in savings. I refer to the letter from Professor Duckett to the Minister for Health in the other place dated 31 March 2000, which is at the front of the professor's report. It states:

> In the terms of reference you asked us to find savings of $18 million …

What did Professor Duckett find? He found $18 million — not $17 million or $19 million — because the outcome was predetermined. The letter further states:

> We have achieved that, although the savings will not be achieved immediately because of the need to absorb staff through attrition and redeployment, or make redundancy payouts.

That suggests the review slavishly delivered to the Bracks government the wish of the government. The changes will generate instability within the entire network and insecurity at the individual patient level. It will do nothing to enhance the quality of health care throughout the Melbourne and metropolitan area. I reiterate that the opposition does not oppose the bill.

The DEPUTY PRESIDENT — Order! I am of the opinion that the second reading of the bill requires to be passed by an absolute majority. As there is not an absolute majority present, I ask the Clerk to ring the bells.

Bells rung.

Members having assembled in chamber:

The DEPUTY PRESIDENT — Order! So that I may ascertain whether the required majority has been obtained, I ask honourable members in favour of the question to stand in their places.

Required number of members having risen:

Motion agreed to by absolute majority.

Read second time.

Third reading

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

> That this bill be now read a third time.

I thank honourable members for their contributions.

The DEPUTY PRESIDENT — Order! I am of the opinion that the third reading of the bill also requires to be passed by an absolute majority. I ask honourable members in favour of the motion to stand in their places.

Required number of members having risen:

Motion agreed to by absolute majority.

Remaining stages

Passed remaining stages.

TOBACCO (AMENDMENT) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. M. M. GOULD (Minister for Industrial Relations).

PSYCHOLOGISTS REGISTRATION BILL

Second reading

Debate resumed from 24 May; motion of Hon. M. M. GOULD (Minister for Industrial Relations).

Hon. M. T. LUCKINS (Waverley) — The bill is a result of a review of all health profession acts as required under national competition policy and is along similar lines to other legislation introduced by the former government.

Since the introduction of the Medical Practice Act in 1994 all legislation dealing with the registration of medical professionals and the establishment of boards has followed the same model. Consistency is important as the legislation is responsible for the protection of the public. The public relies upon and trusts medical professionals to provide appropriate treatment, which can only be assessed by other professionals practising in the same field.

The practice of psychology may involve counselling and regression therapy to confront past experiences, and hypnotherapy. Professional psychologists have the potential to exert enormous influence over their patients. Experienced psychologists under this model of legislation can establish clear guidelines for the conduct of their own profession because they realise that the reputation of their profession is reliant on all their counterparts maintaining minimum standards. When I say 'minimum' it should be noted that the standards are quite stringent.

The government should not set the standards but only provide a framework and a safety net for the public. As in similar legislation, protection of title is covered. Under part 5 it is an offence against the act to use the title 'registered psychologist' or 'psychologist' without the approval of the board. Recently I have noted that many people advertise themselves in the community as counsellors: grief, financial, crisis, lifestyle and even fitness counsellors. They may be considered by lay people and the public to have qualifications in the area in which they claim to have expertise. The protection of title provisions in the bill ensures that those people cannot hold themselves out to be psychologists.

The bill also provides protection for members of the public who can be assured that when seeking the services of a psychologist, they are guaranteed the person will be qualified to render the services. The bill allows non-registered people to use psychological testing techniques: they will be subject to industry regulation. The bill allows experts in the field effectively to regulate themselves.

The nine-member board constituted in the bill will register psychologists in the first instance and review registration. The board will also have the power to investigate the professional conduct and fitness to practise of a psychologist, to regulate advertising relating to the provision of psychological services, and to have the power to impose restrictions and limitations on a practitioner.

There is concern about restrictions or limitations imposed on practitioners subsequent to registration being attached to rather than noted on certificates of registration. As do other medical professionals, psychologists receive a large framed certificate of registration for display in their practice rooms. The bill requires that any subsequent limitations imposed on practitioners by the board be not displayed on such certificates in public view but be annexed to them. The concern is that patients may not be made aware of any restrictions on psychologists whose care they are under.

The bill also deals with professional indemnity insurance. It is defined in the bill as including:

> … insurance against civil liability in connection with the practice of psychology and an agreement or arrangement for discretionary indemnity in respect of that liability.

In other jurisdictions around the world the requirement for professional indemnity insurance has resulted in a shift away from professionals setting standards for the registration of medical practitioners to those standards being set by insurance companies, which may use their discretion as to whether they provide cover to individual practitioners. Practitioners without insurance are then prohibited from practising on that basis instead of on the grounds of their professional qualifications or conduct. The bill ensures that the public is protected from the malpractice of a registered psychologist. It also ensures that suitably qualified psychologists are not denied insurance cover so long as they meet the stringent conduct guidelines.

Clause 50 provides that an investigation into the practice of a registered psychologist will continue even if the person under investigation voluntarily relinquishes his or her certificate of registration, and therefore the right to practice in the future. That arises

out of a recent case in which a medical practitioner under investigation voluntarily relinquished his registration and the board was not able to pursue the investigation on behalf of the patient who was subjected to the malpractice. Under this provision the board will be able to continue the investigation of and take action against a psychologist if an offence occurred while the psychologist was registered.

Clause 80 deals with immunity for board members. The Scrutiny of Acts and Regulations Committee, of which I am deputy chair, has made the following comment:

> The committee notes that notwithstanding the immunity granted to directors an affected person may, instead, have an action with the board itself.

That leads me to the only aspect of the bill about which I have a concern — that is, clause 56(3). It states:

> No action for defamation lies against the board or its members for giving a notice under this section.

That is an as yet unexplained deviation from previous drafting practices, which dictated that a section 85 statement be made to specifically exclude the jurisdiction of the Supreme Court from hearing matters of defamation against the board or its members as a consequence of the board's transmission of a decision regarding a practitioner's fitness to practice.

Until the introduction of the Chinese Medicine Registration Bill during this sessional period all other acts covering health professions have included a section 85 statement. As I mentioned earlier, they have been model acts since 1994 and cover all professions in the health sector.

In *Alert Digest* No. 6 of 2000 the Scrutiny of Acts and Regulations Committee made its concerns known. The report states:

> The committee notes that the terms of clause 56(3) appear to exclude the jurisdiction of the Supreme Court from adjudicating in actions for defamation against the board or its members. The committee notes that the second-reading speech did not include a section 85 statement and further notes that there was no clause in the bill declaratory of a section 85 amendment, alteration or variation in the usual manner.
>
> Further the committee notes that other similar health-related acts such as the Dental Practice Act 1999, Medical Practice Act 1994, Physiotherapists Registration Act 1998 contain section 85 statements for the identical or similar immunity provision. The committee notes its comment in respect to the Chinese Medicine Registration Bill in *Alert Digest* No. 5 of 2000 where again no section 85 statement was included.
>
> The committee is of the view that the terms of clause 56(3) clearly raise an issue as to the jurisdiction of the Supreme Court within the terms of reference of the committee pursuant to section 4D(b)(iii) of the Parliamentary Committees Act 1968.
>
> The committee will write to the minister to seek clarification as to the intended application of clause 56(3) and why it was thought unnecessary to provide a section 85 provision in this instance.

The report further states:

> The committee further notes that the Health Practitioners Acts (Amendment) Bill —

which was debated earlier this afternoon —

> amends the Dental Practice Act 1999 and the Medical Practice Act 1994 but does not remove the section 85 provisions in those acts relating to the identical provision as in clause 56(3) above. Whilst the committee appreciates that it has not yet received a response from the minister to its request concerning the lack of a section 85 clause in the Chinese Medicine Registration Bill, it is concerned at the disparity in these model health-related acts as to the treatment of the identical provision concerning immunity for the respective boards established by those acts.

The committee again resolved to write to the minister about the issue. I look forward to the Minister for Health providing an explanation for the change in drafting practices.

It is extraordinary that the Scrutiny of Acts and Regulations Committee has not yet received a reply to the letter sent regarding the Chinese Medicine Registration Bill, which has now been passed. I have been a member of the committee since 1996 and I cannot recall a previous occasion on which it has had to wait for more than the period of the adjournment following the second-reading of a bill prior to its being debated to receive a response from a minister. I urge the minister to clarify the change and to ensure that all pieces of legislation relating to the registration of medical practitioners are consistent.

I believe this and other bills that deal with the health professions provide a good and sound framework for the protection of members of the public and the reputations of health professionals.

In closing I congratulate both the shadow Minister for Health, Mr Robert Doyle, the honourable member for Malvern in another place, and the Leader of the Opposition, the Honourable Denis Napthine, who are both former parliamentary secretaries to health ministers. Both had an integral role in developing the successful legislative model. I commend the bill to the house.

Hon. KAYE DARVENIZA (Melbourne West) — I will deal with the matter that was raised last by the Honourable Maree Luckins when she rightly pointed

out that the section 85 provision had not been repealed in the bill.

A section 85 statement was not included in this bill or the Chinese Medicine Registration Bill because both bills were drafted after the government received advice from Parliamentary Counsel that common law prevails.

Hon. M. T. Luckins — It would not have taken much to amend the Health Practitioner Acts (Amendment) Bill to repeal those provisions if they were deemed unnecessary.

Hon. KAYE DARVENIZA — As the honourable member says, the decision was made not to repeal. The government will examine the issue in light of the legal advice from Parliamentary Counsel that common law prevails.

The main objectives of the bill are to protect the public by providing for the registration of psychologists and for investigations into the professional conduct and fitness to practise of registered psychologists.

The bill established a nine-member board and replaces the current board with a new incorporated board of the same name. It sets out three categories of registration — general, specific and probationary. It also sets out criteria for registration which facilitates mutual recognition. The board will have the power to impose conditions, limitations or restrictions on registration. The board will also have discretionary power to require generally or specifically registered persons to have indemnity or insurance against civil liability as a condition of registration.

The board will have the power to recognise qualifications in addition to those required for registration and to note those on the register. The bill provides for a legislative definition of unprofessional conduct, consistent with other health practitioner registration legislation. It sets down model provisions for disciplinary inquiries, including informal hearings and open formal hearings. It provides for appeals to the Victorian Civil and Administrative Tribunal and also restricts the use of the title 'registered psychologists' and ' psychologists'. That maintains the protection in the current act in relation to those titles. It puts in place advertising restrictions consistent with those contained in the Medical Practice Act. Pursuant to those provisions, individuals or those concerned with or taking part in the management of bodies corporate may be prosecuted for the use of testimonials, false, misleading or deceptive advertising or advertising that creates an unreasonable expectation of beneficial treatment.

The board will also appoint its own staff and administer its own funds. It will also have the power to enter and inspect premises with warrants, enabling a thorough investigation of complaints. The bill enables the board to develop guidelines with respect to standards for practice in consultation with members of the profession. It also provides for the board to issue and publish guidelines about minimum standards for advertising of a psychologist's practice or services.

The current act contains a specialist approvals process that enables the board to approve a psychologist as a specialist in one of eight specialist areas. Following the national competition review of the current act, the specialist approvals provisions do not form part of the bill. As I said, the bill enables the new board to recognise qualifications in addition to those required for registration and to note those against the names of registrants who hold those qualifications following applications by the people concerned to have additional or specialist qualifications noted on the register. That is not uncommon in health registration boards. No title restrictions are attached to the provisions.

Other than the removal of restrictions on specialist approvals, the bill generally reflects the maintenance of existing controls on the registration of psychologists. It is envisaged that the bill will provide the new board with significantly greater flexibility in hearing procedures and should enable it to operate more efficiently and effectively than is permitted under the current act.

Consultation has been undertaken with the board and the Australian Psychological Society on the bill. The society is generally supportive of the proposal. The bill will regulate the standards of health care as well as ensuring the quality of health care that Victorians can expect, particularly when they are seeking the services of psychologists. I commend the bill to the house.

Motion agreed to.

Read second time.

Third reading

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

That this bill be now read a third time.

I thank honourable members who contributed to the debate.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

BUDGET PAPERS, 2000–01

Debate resumed from 23 May; motion of Hon. C. C. BROAD (Minister for Energy and Resources):

That the Council take note of the budget papers, 2000–01

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — As a new member of the chamber I am pleased to have the opportunity to speak on the budget papers. I am disappointed that the first budget I am to speak on is a Bracks government budget, but no doubt in due course the first Napthine government budget will be brought down; I look forward to making a contribution on that.

I start by drawing a brief contrast between the budget delivered by Treasurer Bracks on 2 May — the first budget of his new government — and the budget delivered by former Treasurer Alan Stockdale when the Kennett government was elected in 1992. But before I do so I note with interest some developments this week. The budget delivered on 2 May by Treasurer Bracks will be the Treasurer's first and last budget. That reminds me of the situation during the Cain and Kirner years when there was instability in the Treasury, with that government going through three Treasurers.

The Honourable Rob Jolly was the inaugural Treasurer of the Cain government. When things started to turn bad, he was replaced by the Honourable Tom Roper. When things got worse Mr Roper was replaced by the Honourable Tony Sheehan. Is the fact of the Bracks government being on its second Treasurer already a sign of things to come? In making that comment I draw a comparison. During the course of the Kennett government there was only one Treasurer, the Honourable Alan Stockdale, who did a very good job.

The budget delivered on 2 May is built on the legacy of the Kennett government, a legacy that has been well detailed by my colleagues in debate over the past couple of weeks. The legacy was much reduced state debt, positive economic growth, employment growth, a good environment for investment and so on.

Employment in Victoria is at a record level of almost 2.25 million people. The framework on which the Bracks budget is built is in distinct contrast to the framework on which Mr Stockdale was forced to bring down his first budget. When the Kennett government came to power on 2 October 1992 it inherited bad economic conditions. State debt had blown out to around $35 billion; the unemployment rate was around 12 per cent; there was no growth in jobs; economic growth was negative; and the outlook for the state was bleak. That economic state was reflected in the multiple downgrading of Victoria's credit rating.

In drawing a contrast between the first budget of the Kennett government and the first budget of the Bracks government, I point out the luxury of the present Treasurer in having eight or nine months between coming to power and bringing down his budget three weeks ago. When the current Treasurer came to power, no doubt a day or two after he was sworn in as Premier and Treasurer he would have picked up the phone and called Mr Ian Little, Secretary of the Department of Treasury and Finance and asked the pertinent questions about the state of Victoria's finances.

The answer from Mr Little would have been that for the current year Victoria was expected to record a surplus of $1.3 billion. That is in direct contrast to the situation Mr Stockdale found himself in. It is no surprise that the budget brought down by the Treasurer contains many promises for the people of Victoria — spending promises and hints of tax cuts — though little detail.

I contrast the economic situation the government inherited with what Treasurer Stockdale encountered. I mentioned that the Kennett government was sworn in on 2 October. Economic circumstances dictated that on 28 October the Kennett government had to bring down a mini-budget. Due to the economic circumstances that applied when the previous Labor government lost office, the Kennett government had to bring down a mini-budget three weeks after taking office.

The speech Treasurer Bracks delivered to the Parliament three weeks ago is peppered with promises of programs being funded and with little digs at the previous government and the way it managed Victoria's economic and financial affairs. That is in distinct contrast to the first budget speech delivered by Treasurer Stockdale. Basically, by virtue of the situation he was in, he had to get to the point. I quote the opening paragraph of the inaugural budget speech of Treasurer Stockdale:

> Mr Speaker, the Victorian government faces its greatest financial challenge in many decades. For some years the previous government has borrowed to pay the costs of day-to-day administration. In addition there have been the costs associated with the state's major financial failures — State Bank Victoria, Tricontinental, the Farrow group and the Victorian Economic Development Corporation — which will cost taxpayers a total of $4 billion.

That is the environment the Kennett government inherited when it came to power in 1992. Treasurer Stockdale did not have the luxury of nine months in

which to prepare his first budget. He did not have the luxury of taking digs at the Cain and Kirner governments while dishing out largesse to the state. The previous government had to get down to action — firstly to stop the state's finances haemorrhaging; and secondly to get them back into some type of order.

It is interesting to read the first budget speech brought down by Treasurer Stockdale because it gives some sense of the types of difficulties the Kennett government faced when it first came to power and of the extraordinary situation it discovered the state's finances to be in. It is worth noting something Treasurer Stockdale touched on in that first budget that was later proven to be fact.

The way the Cain and Kirner governments had run and accounted for their budgets meant that the information disclosed to the people of Victoria and the opposition was at best sketchy as to the true position of Victoria's finances. When Treasurer Stockdale and the new government were sworn in, the situation they inherited was much worse than had been expected. The situation the Bracks government has come to is much better than the situation the previous government found itself in. That has meant the government has been able to capitalise on the achievements of the previous government.

I now turn my attention to the economic outlook as described in the budget. It is well recognised that the Bracks government inherited the state in a sound economic condition, with a positive outlook for investment and a positive level of consumer and business confidence. For that reason it is disappointing to look at the economic projections that have been included in table 3.1 on page 47 of budget paper no. 2. The table provides projections on a number of key economic indicators over the forward estimates period. It is worth touching on some of the key projections.

Under gross state product for the 2000–01 year the outlook for Victoria is growth of 3.5 per cent. No-one doubts that 3.5 per cent is a respectable level of economic growth for the state but it is disappointing when one looks at forecasts for Australia and sees that gross domestic product growth for the same period is forecast to be 3.75 per cent. According to Treasury officials, Victoria's rate of economic growth will be lower than the national average.

The forecast for employment growth in Victoria for 2000–01 is 1.75 per cent. That is a reasonable and positive outcome, which is more than can be said for the final years of the Cain and Kirner governments, but again it is significantly less than the projection for Australia. The commonwealth budget papers estimate of employment growth is 2.25 per cent. The state that until very recently was considered an economic powerhouse in Australia is now forecasting key macroeconomic indicators significantly lower than the national average.

The budget predicts the unemployment rate in Victoria for 2000–01 will be 6.5 per cent. That is the same as the commonwealth estimate but what is significant about that figure is that before the election the Bracks government committed to a target of 5 per cent unemployment in its first term in office. The budget papers show that the best estimate for the Bracks government over the forward estimates period to 2004 is an unemployment rate of 5.75 per cent, which is quite a way off the pre-election promise of 5 per cent. Despite the rhetoric of the Bracks government, the outlook for Victoria is not sound given its inheritance from the Kennett government and the state's potential.

A key characteristic of the budget is that it seems to lack vision. One could argue that in many respects policy has been developed on the run. The government came into power on 20 October and had a windfall. The Treasurer rang the Secretary of the Treasury and was told that there was a pot of money — $1.3 billion — sitting in the Treasury. No doubt ministers sat around the cabinet table wondering about how to spend the money and to whom they owed favours. Hence the budget presented on 2 May.

The budget makes a number of small announcements. It has small programs and small grants and small infrastructure programs are funded but it is vague on the big details. The budget refers to tax cuts for businesses but does not specify what they will be. The budget indicates the cuts will not be made in the current financial year but at some time in the future — but it does not specify what they will be. The budget refers to a $1 billion infrastructure fund but there is no information about how that money will be spent or where its benefits will flow. The cynics among us would suggest that a $1 billion infrastructure fund might turn into a whiteboard exercise around the cabinet table, not unlike what happened in the previous federal Labor government.

I was struck by the budget's lack of direction. Nothing in the budget provides a strategic outlook for Victoria. It gives no indication of where the government sees Victoria heading and what the government wants to achieve for Victoria in its first term in office and subsequently. It is a very short-sighted document. It recognises the pot of money in the Treasury and sets out to spend it but it does not provide any indication to

Victorians about what our government would like the state to achieve. That is very unfortunate and it does not do anything to inspire investor, business or consumer confidence in Victoria. We have seen that in the consumer and business confidence indicators reported to this Parliament.

The comments I make are not simply those of an opposition member of Parliament; they are reflected in the remarks of some of our leading economic and financial commentators. It has been interesting to listen to the contributions of government members to the debate on the budget. Many government members have quoted enthusiastically from media reports in their local newspapers. No doubt many of those reports were based on press releases sent out by the members! I contrast those media reports with reports from some of our more rigorous budget commentators — the leading economic and social commentators.

On 3 May an article by Karina Barrymore, entitled 'Bracks spends up on health, schools and infrastructure' appeared on page 1 of the *Australian Financial Review*. It states:

> The financial plan received the thumbs up from the investment sector yesterday but was regarded as disappointing by business groups because of the deferral of tax relief.
>
> An unexpectedly high surplus for this year of $1.33 billion — the legacy of the former government — has virtually ensured a smooth financial run for the new government.
>
> 'Basically they're sitting pretty,' Standard and Poor's director of public finance rating, Mr Rick Shepherd, said yesterday. 'They've inherited such a strong budgetary position that it's set them up for the rest of their term.

That goes to the heart of the comments I was making earlier. The government inherited a substantial legacy and it is incumbent upon the government to use it wisely. One of the more critical comments on the budget also appeared in the *Australian Financial Review* of 3 May. The article by Tony Harris is headed 'Bracks Budget uses smoke and mirrors' and states:

> Victorian Premier Steve Bracks has carefully presented his first budget, for 2000–01, to maximise its appeal. But when the details provided in the budget papers are known, the picture is less appealing.
>
> …
>
> The $628 million cash surplus left in 2000–01 becomes a deficit of $135 million by 2003–04.
>
> Government budgets involve many unwanted trade-offs. For example, increased capital spending reduces cash surpluses.
>
> Those trade-offs were not transparently canvassed in this budget.

In his opening remarks the Treasurer said of this budget that:

> There's no wriggling and twisting around to get out of our election promises.
>
> In the election campaign, we said we would only promise what we could deliver. In this budget, we have delivered what we promised.

The comments of some of the leading financial journalists would indicate otherwise.

An article by Alan Mitchell on page 5 of the *Australian Financial Review* of 3 May, entitled '$200m variation on an old theme' states:

> Whether business will be as reassured as the Premier hopes will remain to be seen. But it might be unwise of business to take the promise of a tax cut too literally.
>
> Any government that feels the need to open 360 new hospital beds and recruit 800 extra police, 350 teachers and 200 additional tram conductors and railway staff is destined to be fiscally challenged.
>
> And the discipline implicit in the forward estimates — zero real growth in operating expenses over the government's last three years — would challenge any Premier …
>
> …
>
> Fitting in Steve Bracks's various fiscal commitments will be a tight squeeze. Even with all the fiscal discipline implicit in the forward estimates, the Bracks government is heading for a cash deficit in its last two years …
>
> …
>
> Business will be relieved that yesterday's budget was a relatively moderate document with a reasonable bottom line. But when it looks realistically at where the budget is pointing, it will see that the Bracks government, unfortunately, is more likely to spend from the Kennett fiscal legacy than build on it.

Again that is a sorry statement on the nature of the first Bracks government.

An article on page 19 of the *Herald Sun* of 3 May by Terry McCrann entitled 'A break from the past' states:

> The best thing that can be said about the first Bracks budget is that it bears absolutely no resemblance to the first Rob Jolly budget brought down in the John Cain era …

That is a very apt and valuable observation by Mr McCrann.

Hon. R. F. Smith — You hate the fact that he gave us a tick, don't you? You really struggle with that.

Hon. G. K. RICH-PHILLIPS — The Honourable Bob Smith interjects that I have a problem that McCrann gives the Bracks government a tick. I do not know that I could read that as a tick but it is good for Victoria that the Bracks government's budget is

different from the budgets of the Cain and Kirner era. Everyone knows where they put Victoria. Mr McCrann continues:

> If anything, it could be criticised for not cutting taxes …
>
> … it does promise business tax cuts. But they are manna, and we all know how a tax cut delayed can all too easily end up being a tax not cut.

Everyone remembers Paul Keating's L-A-W law tax cuts.

The article continues:

> In any event, the promised business tax cuts are far too modest in a $20 billion-plus budget. And there's nothing directly for ordinary Victorians.

That is another comment from a well-respected Melbourne financial journalist. It contrasts with the media reports some members of the government quoted into *Hansard*.

I will now touch on what the budget means for Eumemmerring Province. My colleague in Eumemmerring Mr Lucas made a detailed analysis of what the government did not deliver for the people we represent. I shall highlight some of the key promises the government made before the election and then failed to deliver. I refer to the Labor Party's policy 'Living suburbs — Labor's plan for the future of the south-east growth corridor', which highlights a number of infrastructure promises the government has not delivered. The first line of the document states that Labor will:

> Provide $2.5 million for a new 24-hour police station at Endeavour Hills.

The government went to the election promising the constituents of Eumemmerring Province a 24-hour police station. However, nowhere in the four-year estimates in budget paper no. 2 is there an allocation for a police station at Endeavour Hills. It refers to other police stations. I think Keilor gets a police station. At least three or four new police stations are to be funded over the next four years, but Endeavour Hills will not be one of them. Eumemmerring Province missed out there.

The second promise in the government's policy states that Labor will:

> Provide $30 million for the construction of the Dingley bypass …

Again, nowhere in the forward estimates is there a $30-million appropriation for the Dingley bypass. Again, the people I represent in Eumemmerring Province have missed out. Another important commitment the government made was for a $10-million upgrade and grade separation and duplication of the Narre Warren–Cranbourne Road, which is a major north–south arterial road in the heart of my province. Again, nowhere in the forward estimates for the next four years is there any allocation for that upgrade. Again, Eumemmerring Province missed out.

I could go through the document all afternoon and highlight commitments the government has not fulfilled, but time is short so I will touch on only a couple of other significant projects that have not been delivered. Prior to the last election the previous government was on the verge of signing the contract for the new Berwick hospital which would have provided the people of Berwick with a state-of-the-art health facility in the heart of Berwick. Unfortunately nowhere in the budget papers brought down by the Bracks government was there mention of the Berwick hospital. Nowhere over the next four years do the forward estimates show that the Berwick hospital will have funding. Again, the people of Eumemmerring Province missed out.

One issue of particular interest to me that I have raised in this chamber on a number of occasions is the proposed Narre Warren South primary school — a cause of controversy during the election campaign. When he was in opposition the honourable member for Dandenong in another place, Mr Pandazopoulos, promised it would be delivered. The honourable member for Dandenong made a number of representations and statements to the local community prior to the last election saying that the Labor government would build the primary school for the commencement of 2001. Lo and behold when one checks the estimates, where is the appropriation for the primary school for 2001? Nowhere. There is no appropriation. Again, Eumemmerring Province missed out. Another broken promise. I must say it does not come as a surprise.

Hon. N. B. Lucas — Mr Pandazopoulos is good at breaking promises.

Hon. G. K. RICH-PHILLIPS — He is, Mr Lucas. As members of the chamber are aware, Mr Pandazopoulos has a new job. Out in the electorate he is known as portfolio Panda because he has three very significant ministerial portfolios and it seems that he likes to spend more time in his Collins Street office than he does in his electorate office. Perhaps he is not as in touch with the local issues as he should be. It is worth noting the contribution Mr Pandazopoulos made

in the debate on the budget in the other place. Nowhere in his budget speech did he mention Dandenong. It shows the priorities the honourable member for Dandenong now appears to have.

I have put on record some of the promises the government has broken and some of the promised infrastructure projects the Eumemmerring Province has missed out on. I have highlighted some of the weaknesses in the budget projections and why, despite the rhetoric, the budget is not particularly sound for Victoria.

In conclusion, this is a smoke-and-mirrors budget. It does not deliver for Victoria in the long term, and it does not deliver key infrastructure for the people I represent in Eumemmerring Province.

Hon. G. D. ROMANES (Melbourne) — I congratulate the government on its first budget, which is financially responsible and socially progressive. The budget's financial allocations underpin the government's commitments and vision not only to restore democracy and transparency to the state, but also to grow the whole of Victoria, provide responsible financial management and improve services for all Victorians.

In contributing to the appropriation debate for the year 2000–01, I direct the attention of the house to the increase in the output budget of the Department of Human Services by $576 million, to a total of $7253 million. That represents an increase of 8.6 per cent, and it focuses on funding investment in the social capital of the state.

Later I shall talk in detail about one aspect of that — housing. However, before doing so I direct attention to the real increases in Department of Human Services funding allocations, which are provided right across all programs of the department, and which put into action the government's key policy directions. I shall list them so honourable members can develop an understanding of the level of commitment and the programs that are being expanded under this budget.

The allocations are as follows: $240 million extra for acute health to expand public hospital services and improve the quality of care; a $22.5 million growth in ambulance services; a $66 million growth in aged care and primary health; and a $40 million increase in funding for mental health to continue the process of reform — a process which was begun in the years of the former Labor governments in the 1980s and continued, with bipartisan support through the years of the previous coalition government, and which will now continue to progress under the Bracks Labor government.

The real increases in funding are also there: a $12.6 million increase for public health for measures such as the government's drug strategy; $96.6 million for disability services to support people living in the community; $42 million for community care to strengthen early intervention strategies that support families at risk, improve the quality of child protection services and enhance the juvenile justice system; and $45 million to expand social housing and boost the Supported Accommodation Assistance Program to address homelessness. That is a wide range of important initiatives that contribute to investment in the social capital of Victoria.

The commitment the government has made both in budget funding and in forward projections for new funding in public and social housing stock over the next three years is a historic injection of new funds into this area. Those funds of $94 million are over and above the commitments made under the Commonwealth–State Housing Agreement. Commonwealth–state housing funding has been declining over the years of the previous Victorian and the current federal coalition governments and it has declined by half in real terms since its peak in the mid-1980s. The additional funding being provided by the state government to improve public and social housing in Victoria arrests the decline in commitment to housing that has been experienced by Victorian governments over many years. It will translate into an additional 800 housing units, but it will provide not only housing for low-income families, but also it will translate into an extra 1800 jobs, and indirectly a further 3100 jobs.

I shall outline where the pressure has come from for the government to make the policy commitment to increase housing provision over the coming years. The expression of the need that has been put before the state, both the government and the community, is summed up in a publication that I am sure many members of Parliament have received over the past few months. The April 2000 issue of the *Stats & Facts* newsletter from Hanover Welfare Services discusses the issue of suburban homelessness in the private rental market as a result of some research done by Hanover Welfare Services. It states that for more than a decade governments have been relying increasingly on subsidies through the rental assistance program into the private rental market to provide housing for people on low incomes. So the subsidy is coming through rental assistance and people have been expected to compete on the private rental market for housing because of the reduced investment in public housing stock over the

1990s. But Hanover's latest research suggests the approach is failing to deliver stable and affordable housing solutions to many low-income households. The conclusion highlighted in the newsletter states:

> The high cost of rent in the private rental market is forcing many ordinary suburban households into poverty and homelessness.

That conclusion follows a research project that Hanover undertook in 1998–99, which showed that in that financial year 1146 households in Melbourne's middle southern suburbs were assisted by the organisation. A representative sample of those households showed that one-third were paying between 40 per cent and 50 per cent of their limited income on rent; a quarter were paying more than 50 per cent; and people who were hit most severely by the high cost of the private rental market in which they were engaged were single people and single-parent families.

Hanover Welfare Services outlines the outcomes of its research in its newsletter, but it reaches a conclusion and asks the government and the community to consider what might be the solutions. The chief executive officer of Hanover, Mr Tony Nicholson, states:

> A long-term strategy of investment of public moneys, either to stimulate the supply of private rental housing affordable to people on low incomes, or to increase the stock of public housing, should now be a priority for policy makers.

Hanover Welfare Services highlights the difficulty in meeting the needs of a whole range of people, particularly low-income Victorians, through the methods used by governments in the past 15 years. It suggests the strategies are not working. It says government either has to invest in even more incentives to stimulate a more affordable private housing market that would be available for low-income families or it needs to increase the stock of public housing for those in need.

The Bracks Labor government has decided to make further investment in increased public housing stock. In the past decade, despite all the cajoling, incentives, joint ventures and social housing statements emanating from governments and different peak bodies, most of the housing stock built in the private market has been rather expensive and at the top of the range; it is usually outside the purchase grasp of low-income families. Housing rents have been rising because of competition in the private rental market. Rental assistance cannot help people keep up with the disparity in available housing stock.

As housing stock has decreased, so the waiting lists for public housing have increased. In 1997 the number of public housing tenants totalled about 67 000; that figure dropped to about 65 000 by the middle of 1999, resulting in increased housing poverty for an increasing number of Victorians.

Through its allocation of funds in the budget the government has made a clear statement to Victorians. It believes it is important for people to hope for a secure and sheltered future for themselves and their families. The statement and commitment brings hope for the thousands of low-income Victorians on the waiting lists for public housing.

I draw attention to that part of the budget because Melbourne Province has a large number of public tenant constituents. Many have become insecure about their future. It may seem a small matter for government to knock down a housing tower at the Kensington high-rise estate, plan a mixed development there and sell off public housing stock. But that is a threat to people who have lived in the inner city and have depended on public housing, sometimes for generations. It has been followed by the discovery of further Kennett government plans in the housing department to progressively privatise other inner city housing estates.

My electorate has more public housing towers than any other electorate. Public housing is an important part of the services provided by government to my constituents. About one-third of public housing residents live in Melbourne Province.

The proposals of the former Kennett government sent shivers down the spines of those who have lived in, for example, Kensington, Carlton or Fitzroy for a long time. The threat was that they would be moved to the marginal areas of the city, where maybe access to jobs and infrastructure would be reduced. They feared they would be moved away from their kith and kin.

The government's policy is to maintain housing stock in inner city Melbourne and to make sure there is no net loss of any public or social housing in inner Melbourne — an area that, for some, has been part of the history of their families. A commitment in the budget is to increase public and social housing, and to work with developers and local government to implement affordable housing programs.

I hope the government will begin to investigate the potential for public housing opportunities to be integrated into the former Pentridge Prison development at Coburg. Public housing there would

add to the mix of housing and community diversity. It would provide opportunities for low-income families to live in the part of my electorate that would provide them with access to good schools nearby — Coburg Primary School and Moreland Secondary College; to wonderful recreational areas along the Merri Creek; to jobs in industrial areas; and to ample nearby public transport. That would be an excellent targeted development for increased public housing.

The range of programs under the housing initiatives varies from home purchase to building new housing units, but extra funding of $15 million is aimed at an expansion of crisis and transitional housing. The plan is to acquire 140 properties for crisis and transitional housing in 2000–01; the growth rate in stock since last year will be 11 per cent. That area is crying out for attention.

I am sure honourable members will be well aware of the many articles in the media about people who, for one reason or another, are in crisis in trying to meet their accommodation and shelter needs. The needs are not there just for people in inner city Melbourne in my electorate but also for people living in regional Victoria. A consideration in the government's tackling of the shortage of crisis and emergency accommodation and the problem of homelessness is the need to provide a spread of facilities and services throughout the metropolitan area and the state.

The community has heard much publicity about the supposed honey-pot effect of supervised injecting rooms, but the same can be said for crisis and emergency accommodation because people gravitate to where the services are provided. The services must be provided where people and their families live — in rural and regional Victoria as well as in Melbourne. The strategy of the government will attempt to achieve that aim.

I draw attention to the commitment in the budget papers of the Minister for Housing to put in place a homelessness strategy focused on bringing together the ideas and expertise of community and government to provide a better coordinated response to homelessness. A range of courses informs people how to deal with homelessness, unemployment, drugs and crises in families; they all contribute to addressing the homelessness problem. An overall strategy needs to be put in place to try to address the problems of the homeless.

I could go on to describe other elements of the program. As I have mentioned, the supported accommodation assistance program has had a major injection of funding. Further assistance is being provided through housing for people with disabilities and a capital program to increase housing stock. There is also an allocation for an important program for my electorate — namely, $21 million is being provided for redevelopment of housing estates both in the inner city and in other parts of Melbourne and regional Victoria.

There will be progress on three major redevelopment projects during this budget year: the Kensington high-rise estate; the Elizabeth Street, Richmond, housing area; and the Rathdowne Street, North Carlton, estate. I intend to be involved with and look forward to participating in the decision-making process on those three important projects: on relocations, where people will be asked to step aside to other areas while the redevelopments take place; on planning; and on the reorganisation of the estates so they become high-quality places in which to live.

In conclusion, I direct attention to a report released earlier this week by the Brotherhood of St Lawrence entitled *Growing Apart — A New Look at Poverty in Australia*, which is part of its overall Understanding Poverty project. The report refers to the incredible impact the high cost of shelter, and by inference a lack of other options such as lower cost public housing, have on low-income families, and to the relationship between shelter costs, poverty and homelessness.

I applaud the Bracks government for taking a step in the right direction by beginning to restore balance in the public housing program and making it more available and accessible to Victorians. I commend the bill to the house.

Hon. R. A. BEST (North Western) — I am delighted to have the opportunity to speak on the first Bracks budget. I do so both as a local member for North Western Province, which covers an area extending from Maryborough to Mildura, and also in my capacity as shadow Minister for Housing and opposition spokesperson assisting on rural health.

I hope the Honourable Glenyys Romanes remains in the chamber to hear some of my comments. I was particularly interested in her comments about issues associated with the provision of public housing. Some measures that might be great in theory can be tested through the passage of time and through practical experience. An example is the review of the Long Gully public housing estate in Bendigo, to which I will refer later.

In commenting on the Premier's speech and his presentation of the budget documents I cannot overlook

one outstanding feature — that is, that no government in any Australian state or territory has ever assumed power with its state in such an outstanding financial position. The government has been provided with the most responsible economic position it could possibly wish for. Unquestionably it has been left a pot of gold.

Hon. R. F. Smith interjected.

Hon. R. A. BEST — I am so pleased Mr Smith continues to interrupt me because with a bit of luck I will be able to go until 6.00 p.m., as I was asked to do. The reality is that a week after the election result I said that I expected there to be a substantial cash surplus of around $400 million. My prediction was not too far from the truth.

One of the great benefits of being a member of Parliament, as Mr Smith would be aware, is that I get to serve on committees. Having had the opportunity in the last Parliament to serve on the Public Accounts and Estimates Committee I became very aware of the financial management practices of the previous government, and particularly the stringent financial and fiscal attitudes of the former Treasurer. For the government to be fiscally responsible it is important that it use the money left to it wisely and that it meet the aspirations of the communities who embraced and supported it at the election.

I welcome the funding allocations for projects in my community and in my broader electorate. I sincerely hope there are more to come, and I look forward to future budget allocations for the rest of north-western Victoria. However, I am already a little concerned because of the time many of the projects will take to reach completion. Although a small amount of funding has been provided in the first or second years of projects, the level of funding required to complete them will not be allocated until the third or fourth years.

The two projects that stand out as being particularly important are located at either end of my electorate. The first is the Mildura courthouse. A minor allocation is made in next year's capital works budget and further allocations will be made over the next two to three years to complete it. However, it was the previous government that identified the problem that confronted Mildura — that is, it is in urgent need of an upgraded courthouse facility.

The other project formed part of the policies both sides of politics took to the last election in Bendigo, and that was the upgrade of the West Bendigo basketball stadium. Over the years I have had a fair amount of association with basketball and have sought to have the stadium expanded to provide better facilities. Although both governments recognised that $2 million should be provided for the completion of the works I am disappointed that the initial allocation is small and will provide only for the planning stages of the project. The project has bipartisan support at the state level and is also supported by the local council, yet it will take some time to reach completion.

I have two major concerns with the direction of the budget and the way the government is using it to try to stimulate the Victorian economy. Most people would be aware that the previous three budgets of the former coalition government reduced payroll tax. Unfortunately this budget provides no assistance to business in the form of a reduced tax burden and contains nothing to stimulate the economy and encourage employment.

There is no more dynamic industry in Victoria than the building and construction industry. It is disappointing that nothing in the budget will assist the industry with the problems it will face in the future. Unquestionably, the economy is slowing. One does not need to be a Rhodes scholar to appreciate that after the implementation of the goods and services tax (GST) and the Sydney Olympics the Victorian construction industry will slow dramatically. Over the past five or six years Victoria has enjoyed a growth rate above the Australian average. It has been slightly higher than 6 per cent. This budget projects a growth rate of 3.5 per cent. The question that must be asked is: how will the budget soften the landing of the construction industry?

Unfortunately, in my home town of Bendigo, small construction companies are already facing financial difficulty. One construction company has gone to the wall. The industry is facing increasing pressure from the building unions, which are demanding increased pay, better conditions and a shorter working week. Many small regional firms do not have the strength of the larger building companies in metropolitan Melbourne. I am sure there will be a return to the conditions that existed in the mid to late 1980s when, with a slowing economy, competition in the building industry became extremely fierce. Many metropolitan building companies will vigorously compete for work against small building companies in regional centres such as Bendigo and Ballarat. Many subcontractors will struggle to compete with larger companies from the metropolitan area. Those companies will have difficulty keeping their work force employed.

Hon. R. F. Smith — They all pay the same wages and have the same conditions.

Hon. R. A. BEST — A large building company operating in metropolitan Melbourne will bring contractors from Melbourne. That will disadvantage regional Victoria. It is an interesting argument, but it is based on Mr Smith's association with the union movement and my knowledge of the free enterprise system.

Hon. R. F. Smith — Are you saying that union labour receiving union wages will stop the work?

Hon. R. A. BEST — No, it is not a matter of stopping the work. Many people in regional Victoria supported the Labor government. Experience from previous years has shown that when the construction industry has a downturn larger Melbourne companies seek work elsewhere. They naturally go to regional and rural Victoria which has an impact on union jobs. That is a fact of life. I am disappointed that the budget does nothing to soften the landing of the building and construction industry when the economy slows.

Although the federal government is introducing the GST it is also offering first-home buyers a $7000 grant. The federal government accepts that the introduction of the GST will have an impact on the industry and it is providing financial assistance to Australians wanting to purchase their first home.

I turn to the housing policies that the Liberal, National and Labor parties put to Victorians at the last election. Prior to the last election the Labor Party made several commitments. It said it would boost spending on public and community housing by $90 million over three years to build 800 housing units and create 1800 new jobs directly and over 3000 indirectly, ensure that public rental is affordable for low-income tenants, work with local government to expand the level of affordable housing, improve the quality of public housing, respond to the shortage of affordable housing, increase the security of tenure for public and private tenants, improve transitional housing, improve the information available on housing options, support the retention of the Commonwealth–State Housing Agreement, and foster a professional and stable building industry.

It is interesting that the government refers to a professional and stable building industry when it is prepared to let it face the vagaries of the downturn in the economy. I have no difficulty with improving the quality and the security of tenure of public housing. I am a product of housing commission accommodation. I lived in West Heidelberg, near the former Olympic Village, and my mother still lives there. I understand the issues involved with growing up in a housing commission area. I make no apologies for the opportunities provided to me during my life. One of the ambitions that most of us had was to improve ourselves. I grew up playing football and cricket on the streets. When we played cricket we used a light pole as the stumps and a bat that was normally a picket from a fence. It was enough to generate fierce competition.

Hon. D. G. Hadden — What about the old Colosseum Hotel?

Hon. R. A. BEST — That was after my time. I certainly knew about the Heidelberg Bowl. I cannot reminisce about the Colosseum Hotel because I had left the area at that stage. I had a desire to improve myself and get a better job. Those desires are no different now and it is important for governments to dangle a carrot to assist people to achieve their ambitions.

The housing policies of the former coalition parties were aimed at doing that. The coalition's housing policies were designed to sustain an economic environment to ensure that home ownership remained within people's reach, particularly for first-home buyers, low-income earners and the elderly; encourage the provision of private rental accommodation and ensure the balance between the needs and interests of tenants and landlords; improve the condition of public housing by redeveloping metropolitan and country public housing estates and increasing public housing by 1000 new homes each year; encourage a continued effort between government and the community to support those requiring emergency housing; purchase and redevelop well-located housing facilities for older people; increase the number of public housing properties modified to suit the specific requirements of people with disabilities; and provide support for innovative joint venture and community housing projects between the government, community organisations, church groups and local government.

The coalition had a balanced policy that identified the need to provide public housing units that matched the waiting lists as well as continued to encourage people to access their first home, that great Australian ambition. To put home ownership within people's reach, particularly first home buyers, low-income earners and the elderly, the former coalition expanded stamp duty concessions by increasing the property value threshold under which home buyers were eligible for concessions. For a full concession the threshold rose from $115 000 to $125 000 and for a partial concession, from $165 000 to $175 000. Given the dramatic increase in housing, particularly in the metropolitan area, that was realistic.

The former coalition also improved public housing by redeveloping metropolitan public housing estates at the rate of 1000 units a year. It spent $42 million over four years on the staged implementation of fire sprinkler systems in high-rise units to ensure the best possible fire protection. The other initiatives continue because they were costed and well documented. They provide an enormous balance in addressing the aspirations of young people to own their first homes and the need to provide appropriate levels of accommodation to the vulnerable who require public housing.

I welcome the money that the Bracks Labor government has provided in the budget for extra public housing and the initiatives for homelessness. Like the Honourable Glenyys Romanes I had the opportunity of speaking with Tony Nicholson of Hanover Welfare Services. I have visited the service and I intend to go out with them on a Saturday night to experience first-hand the issues associated with homelessness. Unfortunately many in the community require help. It is up to governments to provide a safety net so that they do not fall through the system.

The coalition policy also referred to the redevelopment of existing housing estates. As a member of Parliament I am proud of the fact that the former Minister for Housing, the Honourable Ann Henderson, asked me to chair a committee to examine the redevelopment of the Long Gully housing estate. It was interesting to hear the comments made by the previous speaker, who advocated increasing the housing density in the northern metropolitan area. She spoke about many of the new units that were to be provided through the initiatives in the budget and how the northern suburbs would be an ideal location. She also spoke of the fears of people in the Kensington estate and spoke in support of high-rise accommodation.

I shall contrast those views with my experience in chairing a committee made up of fantastic people. I had the opportunity of choosing the groups that would be represented on the committee. I was more than happy with the cross-section that I was able to achieve. It comprised representatives from the Department of Human Services, the City of Greater Bendigo, the Real Estate Institute of Victoria, Tenancy Support and Consultative Services, the police department, Shared Action Group, and the Bendigo ministers fellowship, an ecumenical group of church leaders. Bob Romeo is the president of the group and the representative on the committee. He played an important role in following through many of the issues raised in his capacity as a church leader. Tenants from the estate were also represented.

One of the problems was waiting lists. If honourable members interested in housing examined the waiting lists they would find it illuminating that the available stock does not always match the needs of those on the waiting lists. One of the great problems in rural and regional Victoria is an overrepresentation of three-bedroom and, in some cases, four-bedroom houses. There is a greater need for one and two-bedroom houses, which better reflects the make-up of today's families. When providing accommodation for people in need, we should be mindful of matching those needs.

The Long Gully estate had 309 housing units, all of which, except for 10 or 12, were three or four-bedroom units. Over the past 25 to 30 years the demographic has changed. The children have grown up and moved away. Some 30 per cent of the units in the estate are privately owned and 70 per cent remain in housing ministry ownership. An unfortunate problem is the stigma attached to the estate because of the housing ministry units — for example, when housing ministry tenants put items on lay-by sometimes they will not own up to living on the estate. Young people seeking job opportunities and interviews did not want to say they live at the Long Gully estate because of the associated stigma.

A real challenge confronting the committee was finding ways to solve the estate's physical problems by better matching accommodation with the needs of people on the waiting lists and resolving the social problems to make the estate more representative as a suburb of Bendigo. Many of the committee's recommendations addressed not only the physical but also the social consequences of change. Our group has recommended that the government look at changing that whole structure, that physical presence, from one dominated by three-bedroom houses with one or two people per house to one dominated by one-bedroom and two-bedroom accommodation. Joint ventures with private companies could be entered into in the creation of one-bedroom or two-bedroom accommodation.

The Honourable Glenyys Romanes spoke about increasing the density of public housing. The Honourable Bronwyn Pike, the Minister for Housing in the other place, has accepted the suggestion I have made that the mix of public tenancy with private ownership be completely reversed. Rather than having 30 per cent private ownership and 70 per cent public tenancy within an estate, 70 per cent private ownership and 30 per cent public tenancy would better reflect the spot-purchase programs throughout regional centres. I am particularly proud of that report and of the fact that some $6 million will be provided by the government

over the next five years to fulfil that project. My only disappointment is that I was hoping to have the project completed within three years.

The other issue I raise has become increasingly apparent to me in confronting issues that have arisen relating to my responsibilities as shadow Minister for Housing — that is, those poor, unfortunate people who have found themselves associated with the failed Labor home finance schemes of the 1980s — the home opportunity loans scheme, or HOLS, and the shared home opportunity scheme, or SHOS.

I raised the matter of home finance schemes some time ago in the house and asked the minister to address the problems that have arisen from the schemes those unfortunate people have found themselves involved in. Today I call on the government to undertake a full review of all home financing schemes within its area of responsibility. HOLS and SHOS were a product of the Labor government in office in the mid-1980s. During the 1990s the former coalition government case-managed every family and single person involved in one of those schemes. That review was conducted through 1994–95. The time has now come, six years later, for the government to conduct another review and case-manage the remaining 4000 to 4500 people still stuck within the schemes. They are examples of appalling financial mismanagement and of governments tinkering with people's lives.

For 2 hours today I sat with three families and discussed how badly they had fared under those schemes. I will refrain from naming in Parliament the three people I met because it would be unfair to divulge their names. One of those families has corresponded with the minister. One family was on a shared home opportunity scheme, one was on a deferred interest scheme and the other was on a capital indexed loan, or Capil, scheme.

One poor family had to declare itself bankrupt in mid-1997. The loan was restructured in 1995 but in 1997, following advice from a financial adviser, the family decided to declare itself bankrupt. Under the scheme they had entered into they would own 56 per cent of the house and the then Ministry of Housing would own 44 per cent of it. The people of that family borrowed $57 000 and had a $2000 deposit, which left them with an initial loan of $55 000. By the time the family declared itself bankrupt the house, which when bought in 1990 was valued at $110 000, achieved a sale price of only $86 000. Following all the payments the family had made it was left with a $13 500 shortfall, which was the reason for the bankruptcy.

The second family had a loan under a deferred interest scheme, having borrowed $47 600 in 1986. In excess of $90 000 has already been paid back, but the family still owes $70 000 on its loan.

The third family borrowed $56 000 under a capital indexed loan scheme. It had money for a deposit and legal fees. It has been paying 25 per cent of its income but even now owes in excess of $66 000. Some 14 years later, having borrowed $56 000, the family still owes $66 000.

It is imperative that the government understand the desperate situation those people find themselves in and urgently undertake a review to examine ways in which they can be relieved of the burden they face or be otherwise accommodated.

In 1995 the coalition government case-managed every one of some 13 500 to 16 000 clients with loans in one of those schemes. I cannot quite remember the figure, but more than $17 million worth of debt was written off. It is incumbent on the government to appreciate the problems it has caused by its past actions. I call on the minister to urgently review each of the cases of people who are still tied to those schemes.

I will speak in greater detail on another area that falls within my portfolio responsibilities — namely, rural health. I am mindful of the document that was launched last year in Bendigo by the Honourable Rob Knowles, *Rural Health Matters — Strategic Directions to Rural Health 1999–2009*. That was a strategic plan of programs for rural health and rural communities over the next three years. I urge the government to adopt many if not all of those policies and programs because they met the needs of rural communities.

As I said at the beginning of my address, the budget is in a healthy position, highlighting the sound financial management of the previous government. I urge the government to act responsibly, to spend the money wisely and to ensure the government meets the expectations of the communities that have given it their support.

Debate adjourned on motion of Hon. PHILIP DAVIS (Gippsland).

Debate adjourned until next day.

ADJOURNMENT

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

That the house do now adjourn.

Traralgon: former hospital site

Hon. P. R. HALL (Gippsland) — I raise with the Minister for Industrial Relations for the attention of the Minister for Health in another place the former Traralgon campus of the Latrobe Regional Hospital. The site was vacated some years ago because the facility was replaced by a state-of-the-art modern hospital, which is providing excellent service to the people of the Latrobe Valley and Gippsland. Expressions of interest were sought by the former government for the sale of that facility, but without success. My last negotiations with the former government took place in the middle of last year when the then government intended to demolish the buildings and sell the land for development. However, it appears that nothing has happened since the change of government and I am seeking a progress report about the government's intention. It is a prominent site at the entrance to Traralgon and the wire fence and unkempt gardens and surrounds are not attractive for people entering the city of Traralgon.

I ask the Minister for Health to give a progress report on the government's intentions for that vacant facility. If a prospective buyer is not immediately available I urge the government to take urgent action to clear the site and sell the land for future development.

Ballarat: fish hatchery

Hon. D. G. HADDEN (Ballarat) — I raise with the Minister for Energy and Resources an urgent matter regarding the Ballarat fish hatchery. The Ballarat hatchery is a non-profit organisation run by 23 volunteers. The hatchery is of great historic and tourist importance to the state of Victoria. It is the only source for the restocking of wild fish in Australia. The hatchery has not received any government grants or assistance since 1986 and is currently in a desperate financial plight. It needs urgent capital works upgrades to its buildings and to the pump and dredging plant for the ponds.

To add salt to the hatchery's wounds, so to speak, on the weekend of 6 and 7 May approximately 1200 litres of sodium hydrochloride leaked into a stormwater drain and then into Lake Wendouree. The hatchery pumps water from Lake Wendouree into its ponds and consequently thousands of fish were killed. The Ballarat fish hatchery's problems are now two-fold — it is not only in need of funding for an urgent capital works upgrade but is also dealing with the death of thousands of fish. I ask the minister to give urgent consideration to providing assistance to secure the ongoing viability of the fish hatchery at Ballarat.

GST: stamp duty

Hon. N. B. LUCAS (Eumemmerring) — The matter I raise with the Minister for Energy and Resources for the attention of the new Treasurer relates to stamp duty applying where the goods and services tax has already been applied. The matter was raised with me by a former member, the Honourable Dick Long. I am pleased that he still takes an interest in the affairs of state.

The best way of describing the issue is to read from a transcript of and interview on 16 May of the Premier on the Neil Mitchell radio program:

> Mitchell: I'm paying my insurance bill and I'm paying a stamp duty, right? That stamp duty is being assessed after the GST is imposed on the insurance …
>
> …
>
> Bracks: Ah, into the sales tax, into the, into the stamp duty, rather. Not so much the insurance, the stamp duty. Now I'll get to the … I'll find out the details for this in particular, Neil.
>
> …
>
> Mitchell: … say your insurance bill's 100, 10 per cent goes on, there's 110 … and then the stamp duty is assessed on the full 110. So you come out the bottom paying GST on the full amount.
>
> Bracks: Oh, well, it increases the value of the property, is what you're saying, I understand that.
>
> Mitchell: No, no, no, no. I'm saying that the GST imposed on the insurance bill.

The Premier said he would look at it and that:

> … this is a special case.

Further he said:

> … I'll be issuing details on that very soon.

On 23 May Mr Mitchell again raised the issue with the Premier, who indicated that what he had said on 16 May was not his best answer and that he had 'mucked up the answer' to that question. The Premier went on to accept that it appears that the state government will be involved in double dipping — that is, charging additional tax through a stamp duty on insurance premiums that have had GST added. It appears that that will happen for housing and potentially for motor vehicles.

I am aware that the New South Wales Treasurer, the Honourable Michael Egan, has said he will look at the issue. I ask the new Treasurer, the former leader of the Labor Party, to provide advice on what action if any the government intends to take to address the problem of a tax being levied on a tax, and to negate the windfall

gain that will be derived unfairly from the Victorian community.

Housing: energy efficiency

Hon. G. D. ROMANES (Melbourne) — I raise an issue with the Minister for Energy and Resources. The Minister for Housing in the other place has asked me to chair the community liaison committee for the Kensington estate redevelopment. When meeting in that capacity with departmental officers for a briefing on that redevelopment I sought to determine whether the objectives of reduction of energy costs for public housing tenants, reduction in greenhouse gas emissions and improved energy efficiency will be part of the proposed development. Honourable members would know that the up-front costs of the new technology in solar power, solar heating and energy-efficient appliances are often fairly prohibitive. The department questions whether those objectives will be integrated into public housing programs.

Honourable members would also know that federal government subsidies are available for solar heating in the broader community and that the Renewable Energy Authority has a range of programs in place including those promoting energy-efficient appliances. A range of measures can be used to try to persuade the broader public to participate in programs that will lead to a reduction in greenhouse gases and reduce the costs of shelter and of running our appliances. We also have public housing programs with a captive cohort where we could make a difference in line with those objectives. What action is the Minister for Energy and Resources taking to achieve improved energy efficiency in the public housing program?

Kraft Foods

Hon. E. J. POWELL (North Eastern) — I raise with the Minister for Energy and Resources a matter for the attention of the Minister for State and Regional Development in the other place. On 17 May I received a letter from Mr Ian Halliday, the Australian and New Zealand director of operations at Kraft Foods. The letter advised me the staff at Kraft's Leitchville plant had been told that Kraft would be moving the individually wrapped sliced cheese manufacturing operation from the Leitchville plant to the Strathmerton plant. Both plants are in the electorate represented by myself and the Honourable Bill Baxter. The relocation will devastate the small town of Leitchville. It has a population of about 300 people and Kraft is the biggest employer in Leitchville and the Shire of Gannawarra, employing some 230 people in the area.

Although the bulk natural cheese plant will still continue on that site, about 100 jobs will be lost from the Leitchville factory. There are 45 jobs on offer at the Strathmerton plant where Kraft has invested about $100 million over the past seven years to bring the factory up to a world-class standard to make it more competitive.

The relocation of the sliced cheese operation will take place over 18 months to allow a smooth transition for staff and the community. During that time Kraft said it will honour its obligation to its employees who do not relocate to try to minimise the impact on the workers themselves and the local communities.

Mr Noel Maughan, the honourable member for Rodney in another place, has contacted the shire, Kraft and the minister to emphasise the importance of working with the local community. I endorse his efforts on their behalf. I seek the assistance of the Minister for State and Regional Development in supporting the Leitchville community. I ask him to do everything he can to direct further development to increase the employment opportunities in that small community.

Industrial relations: departmental reorganisation

Hon. D. McL. DAVIS (East Yarra) — I refer to the answer given by the Minister for Industrial Relations to question on notice 401. She said that the industrial relations functions of the government had been transferred from the Department of Treasury and Finance to the Department of State and Regional Development. The recently produced special edition of the *Victorian Government Directory* shows that a reorganisation took place in the Department of Treasury and Finance that was reflected in a change in the names of the divisions — a change from the Budget and Financial Management Division to the Financial Management and Industrial Relations Division. Will the Minister advise the cost of any changes made within the Department of Treasury and Finance — renovations or other changes — to accommodate the industrial relations function in that department that has now been disbanded?

Springvale Road: resurfacing

Hon. J. W. G. ROSS (Higinbotham) — I ask the Minister for Energy and Resources to refer a matter to the Minister for Transport in the other place. It relates to the recent resurfacing of Springvale Road and was brought to my attention by Mr Seth Sok, who is a committee member of the Khmer Community of Victoria temple located at 458 Springvale Road,

Springvale South. The kerbs of Springvale Road were recently resurfaced, except for the frontage to the Khmer temple. Will the minister advise why the length of Springvale Road immediately adjacent to the Khmer temple was not refurbished? Will he direct Vicroads to complete the job as soon as possible?

Retail tenancies: leases

Hon. BILL FORWOOD (Templestowe) — I understand the Minister for Small Business met this afternoon with Mr Heller. Will she inform the house of the outcome of her deliberations and in particular whether the government will be able to assist him with his issues?

Marine Board of Victoria: survey charges

Hon. G. R. CRAIGE (Central Highlands) — I raise a matter for the Minister of Ports which relates specifically to Marine Board of Victoria survey vessels and marine regulation SRN 145/99. Members of the opposition, the minister and certainly the Marine Board regard the safety of vessels as critical. Vessels are surveyed because they carry passengers and are used for recreational and commercial fishing, diving and dolphin trips. It is critical that those vessels are maintained to the highest levels of safety.

The issue I raise relates to a recent increase in fees. I put to the house that the increase will affect vessels from Port Fairy and Portland to Lakes Entrance and the Murray. Even the Marine Board notice indicated that the charges are significant. In fact, for a vessel exceeding 10 metres but not 20 metres, the charges have gone from $125 per annual survey to $370. Many of the small business operators in the tourism industry will find such an increase difficult.

Following discussions I have had with many of the operators of fishing vessels and charter boats and in view of the fact that the government wants to encourage tourism and allow operators to remain in their viable small businesses I ask that the significant fee increase be phased in. I can see that the Honourable Bob Smith thinks this is a laughing matter. I hope none of the vessels subject to survey are in his area. The operators would have noticed the significant fee increases. Will the minister ask the Marine Board to find a way of phasing in the significant fee increases?

Yarra Valley Hockey Club

Hon. C. A. FURLETTI (Templestowe) — I refer the Minister for Sport and Recreation to the fact that on 4 and 7 December the Honourable Bill Forwood sought the minister's advice about the time frame for the redevelopment of the Northcote Velodrome which is affecting the relocation of the Yarra Valley Hockey Club. I also referred the matter to the minister on 14 March.

The club's 400 or so members remain uncertain as to the club's future. They want to know how things will pan out. In early March the minister assured me that he would keep me informed as information came to hand about how the Yarra Valley Hockey Club would be affected. As that assurance was given three months ago will the minister give the Yarra Valley Hockey Club an update on progress?

Members: vehicle guidelines

Hon. B. C. BOARDMAN (Chelsea) — I raise a matter with you, Mr President, as I believe you are the most appropriate person with whom to discuss the issue. I refer you, Sir, to version 2 of the members of Parliament vehicle plan guidelines, and in particular appendix 1.

The PRESIDENT — Order! The adjournment debate is not the time for raising matters listed in the guidelines. Other forums are available for honourable members to raise such administrative matters. I do not think this is the appropriate forum.

Hon. W. R. Baxter — On a point of order, Mr President, a precedent has been set where issues have been raised with the President about a variety of issues. I understand this is the adjournment debate and I would have thought this was the appropriate time. You as the President are the person to make those decisions, Sir, but honourable members have certainly raised issues with you before about Parliament and its administration. I ask that Mr Boardman be able to proceed.

The PRESIDENT — Order! The usual courtesy is for honourable members who wish to raise such matters to do so privately with me beforehand, so that if necessary I can suggest the appropriate form. Nothing in the guidelines states that matters must be raised with a minister. Matters dealt with in the adjournment debate must relate to state government administration. If the cars are provided to members of Parliament by a government department through deed of the Department of Treasury and Finance and if the member can relate the matter to that issue, I will look at it.

Hon. B. C. BOARDMAN — Thank you for your ruling. In that case, Sir, I will direct the query to the Honourable Candy Broad, who represents the Minister for Finance. I refer the minister to version 2.

Hon. M. M. Gould — I am the responsible minister.

Hon. B. C. BOARDMAN — I take that back. I refer the Minister for Industrial Relations to version 2 of the members of Parliament vehicle plan information booklet, particularly appendix 1. Guideline 1 on page 8 states that a vehicle provided to members of Parliament can be used on parliamentary, electorate and private business. Guideline 4 states that when the vehicle is used for private purposes it is to be driven only by the member or a person nominated by the member. Guideline 5 provides certain restrictions when the vehicle is being used for private purposes, including that the member's parliamentary and electorate use must take precedence; and that the vehicle is not to be driven by anyone other than the member or his or her nominee, providing that certain conditions have been complied with.

Considering those guidelines, I ask the minister what sanctions are in place when these conditions are breached — for example, when an official parliamentary vehicle issued to a member of Parliament is used in the commission of a serious indictable offence.

Responses

Hon. M. M. GOULD (Minister for Industrial Relations) — The Honourable Peter Hall raised a matter for referral to the Minister for Health concerning the site of the old Traralgon hospital, and I shall ask the minister to respond in the normal manner.

The Honourable David Davis asked for a detailed response. Because of the complexity of the question he asked I shall advise the minister to take the matter on notice and respond to the honourable member.

The Honourable Cameron Boardman asked me to raise a matter with the Minister for Finance, and I shall do so.

Hon. C. C. BROAD (Minister for Energy and Resources) — The Honourable Dianne Hadden raised with me the matter of the Ballarat Fish Acclimatisation Society and its long history of working closely with Fisheries Victoria in the production and stocking of trout in public waters. The matter has been raised with me by the honourable member and also by her Assembly counterparts; and those people who read the local papers will know that the Assembly members representing the local area have also raised the matter.

In recognition of the very important activities that the society undertakes in trout stocking and the cooperative basis on which it has done so over a long period with Fisheries Victoria, I am pleased to give a commitment to examine the matter to ascertain what assistance might be available to help the society continue its work. As part of the undertaking to examine what might be possible I have undertaken to visit the society and examine its operation at Ballarat.

The Honourable Neil Lucas raised a matter for the attention of the Treasurer regarding the goods and services tax on insurance and stamp duty. It sounded very much to me like a matter that was recently debated in this place under the heading 'circular taxation', which appeared in one of the bills passed by the house. But I shall pass on to the Treasurer the honourable member's request for advice on what action the Treasurer might take on the issue of a tax on tax and what impact it will have on the Victorian community.

The Honourable Glenyys Romanes raised the very important matter of what action can be taken to improve energy efficiency in public housing in the interests of reducing the cost of energy bills for those tenants and the benefits that would accrue in reducing greenhouse emissions and reducing demand for energy. I am pleased to advise the house that some of the funding allocated to the Victorian government's solar water assistance program — which was announced in the Bracks budget earlier this month — will be set aside to provide for the cost difference between solar and conventional water heaters for some 200 systems in public housing in the initial phase.

In addition, the new Sustainable Energy Authority Victoria — also recently launched and funded in the budget — will be working with the Office of Housing to establish guidelines for energy efficient public housing, including housing design, purchase and upgrades and incorporating requirements for high-star rating of appliances. I am sure that will assist the honourable member in the very important work she is undertaking for the Minister for Housing in the redevelopment of public housing in Kensington.

The Honourable Jeanette Powell raised a matter for the attention of the Minister for State and Regional Development concerning the relocation by Kraft Foods of its factory from the town of Leitchville and the impact on the local community and employees. She sought assistance from the minister to support the provision of alternative employment opportunities for people in that community.

Hon. E. J. Powell — Not the whole factory, just part of it — one of the production lines.

Hon. C. C. BROAD — I shall pass on her request to the minister.

The Honourable John Ross raised a matter for the attention of the Minister for Transport regarding resurfacing of Springvale Road and requested that the minister examine why the section adjacent to the Khmer temple was not resurfaced at the time. I shall pass on his request to the Minister for Transport.

The Honourable Geoff Craige referred to the survey of vessels by the Marine Board of Victoria to ensure safety and the recent fee increase for vessel survey. He requested that I examine a phasing-in approach to those increases. I am pleased to be able to advise the honourable member that I have already employed that approach, taking into account the matters to which he has directed attention tonight. When the proposed increases were put to me fairly early on as the new minister in line with policies pursued by the previous government for full-cost recovery in this area, I was concerned about the potential impact they would have. As a result of a re-examination of the way those fee increases might be implemented, the new regulations maintain a fee subsidy of between 20 per cent and 40 per cent.

The increases were subject to a regulatory impact statement process. So a transparent process was undertaken where affected operators had the opportunity to respond to the proposals. Following that process the regulations came into effect from the end of last year.

Hon. M. R. THOMSON (Minister for Small Business) — The Honourable Bill Forwood asked me about an appointment I had with Mr and Mrs Heller today. It is inappropriate to talk about the details of a personal meeting. However, Mr Heller said he had had a meeting with my predecessor, the honourable member for Brighton in the other place, Louise Asher, about the same matter. He was informed that although the then minister was sympathetic to his circumstances, she could not help him.

It would appear from my discussion with Mr Heller that there is little room in which to move to get the assistance he seeks. However, we had what I thought was a good discussion about some of the issues that led to the court case in which he was involved. I look forward to his involvement in the review of the retail tenancies legislation.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — The Honourable Carlo Furletti asked me about the Yarra Valley Hockey Club. I am happy to inform the honourable member that I can give the club my assurance it will not be without a ground in coming seasons.

In relation to the development of a state training velodrome, I am advised that further planning is required and that negotiations with the cities of Darebin and Banyule will ensure that the timing for and commencement of works coincide with the availability of the new hockey centre at West Ivanhoe. I am happy to keep the stakeholders informed as the issues progress towards finalisation.

Motion agreed to.

House adjourned 6.33 p.m. until Tuesday, 30 May.

QUESTIONS ON NOTICE

Answers to the following questions on notice were circulated on the date shown.
Questions have been incorporated from the notice paper of the Legislative Council.
Answers have been incorporated in the form supplied by the departments on behalf of the appropriate ministers.
The portfolio of the minister answering the question on notice starts each heading.

Tuesday, 23 May 2000

Arts: designated union contacts

307. THE HON. P. A. KATSAMBANIS — To ask the Honourable the Minister for Industrial Relations (for the Honourable the Minister for the Arts): Does the Minister's Department have full time, part time, casual employees or consultants whose duties or contracts have included or currently include being a designated contact point on policy matters with individual unions, the Victorian Trades Hall Council (VTHC) or the Australian Council of Trade Unions (ACTU); if so — (i) what is the name of each employee or consultant and at what annual salary or annual contracted rate is each employed; (ii) for which unions does each employee or consultant have responsibility; and (iii) how many of those employees were employed and estimated to be members of a union as at 31 December 1999.

ANSWER:

I am informed that:

The Department of Premier and Cabinet currently does not have staff employed specifically to act as a designated contact point on policy matters with individual unions, the Victorian Trades Hall Council or the Australian Council of Trade Unions. However staff are required in the normal course of their duties to liaise and negotiate with a range of organisations, including unions, on routine employer/employee matters and in the development of policy. Furthermore the Department is in the process of recruiting an Industrial Liaison Officer.

The Victorian Public Service is an Equal Opportunity Employer and does not seek information about union membership from its employees.

Environment and Conservation: designated union contacts

308. THE HON. P. A. KATSAMBANIS — To ask the Honourable the Minister for Energy and Resources (for the Honourable the Minister for Environment and Conservation): Does the Minister's Department have full time, part time, casual employees or consultants whose duties or contracts have included or currently include being a designated contact point on policy matters with individual unions, the Victorian Trades Hall Council (VTHC) or the Australian Council of Trade Unions (ACTU); if so — (i) what is the name of each employee or consultant and at what annual salary or annual contracted rate is each employed; (ii) for which unions does each employee or consultant have responsibility; and (iii) how many of those employees were employed and estimated to be members of a union as at 31 December 1999.

ANSWER:

I am informed that:

(i) An Industrial Liaison Officer has been employed by the Department of Natural Resources and Environment within the VPS Band 4 salary range.

(ii) The duties of this position require the occupant to liaise and undertake negotiations with unions, other employee representatives, staff and line managers on industrial relations issues.

(iii) The Victorian Public Service is an Equal Employment Opportunity Employer and does not seek information about union membership from its employees.

Premier: Independents — resources

404. THE HON. D. McL. DAVIS — To ask the Honourable the Minister for Industrial Relations (for the Honourable the Premier): In relation to the three Independent Members of the Legislative Assembly:

(a) What is the cost incurred, to date, by the Government in providing additional benefits and assistance to those Members over and above that provided to all other back bench Members.

(b) What is the expected annual expenditure incurred by the Government in providing additional benefits and assistance to those Members over and above that provided to all other back bench Members.

(c) What is the cost incurred, to date, by the Department of Parliamentary Services in providing extra access to Ministers and Government Departments, including staff time, for those Members.

(d) What is the expected annual expenditure to be incurred by the Department of Parliamentary Services in providing extra access to Ministers and Government Departments, including staff time, for those Members.

(e) What is the cost incurred, to date, by the Government or Department of Premier and Cabinet in providing extra access to Ministers and Government Departments, including staff time, for those Members.

(f) What is the expected annual expenditure to be incurred by the Government or the Department of Premier and Cabinet in providing extra access to Ministers and Government Departments, including staff time, for those Members.

(g) What will be the cost of the extra access to Ministers and Government Departments incurred by those Members per annum.

(h) What is the cost incurred, to date, by the Government of Victoria in providing additional services and access to Ministers and Government Departments for those Members over and above what is provided to all other back bench Members.

(i) What is the expected annual expenditure to be incurred by the Government in providing additional services and access to Ministers and Government Departments for those Members over and above what is provided to all other back bench Members.

(j) What is the cost incurred, to date, by the Department of Premier and Cabinet in providing additional services and access to Ministers and Government Departments for those Members over and above what is provided to all other back bench Members.

(k) What is the expected annual expenditure to be incurred by the Department of Premier and Cabinet in providing additional services and access to Ministers and Government Departments for those Members over and above what is provided to all other back bench Members.

(l) What is the cost, to date, to the Department of Premier and Cabinet of providing an adviser acting in a liaison capacity for each of those Members to assist with their Parliamentary duties.

(m) What is the expected annual expenditure to the Department of Premier and Cabinet of providing an adviser acting in a liaison capacity for those Members to assist them with their Parliamentary duties.

ANSWER:

I am informed that:

(a) Costs incurred to the 31 March 2000 were $140,018.

(b) Expected annual expenditure is $350,000 for 2000-2001.

(c) Nil.

(d) Nil.

(e) The staff time in providing extra access to Ministers and Government Departments is negligible and is absorbed within other duties.

(f) The expected annual expenditure is negligible and is absorbed within other duties.

(g) Refer to (f).

(h) Not applicable as the costs relate specifically to assistance as outlined in the Independents charter, rather than both 'services and access'.

(i) Not applicable as the costs relate specifically to assistance as outlined in the Independents charter, rather than both 'services and access'.

(j) Not applicable as the costs relate specifically to assistance as outlined in the Independents charter, rather than both 'services and access'.

(k) Not applicable as the costs relate specifically to assistance as outlined in the Independents charter, rather than both 'services and access'.

(l) Nil.

(m) Nil.

Environment and Conservation: bicycles — rail trails

405. THE HON. M. A. BIRRELL — To ask the Honourable the Minister for Energy and Resources (for the Honourable the Minister for Environment and Conservation):

(a) What recurrent funding will be allocated in 2000–01 and 2001–02, respectively, for rail trails in Victoria.

(b) What capital funding will be allocated in 2001–2002 for rail trail projects in Victoria, listing each trail that will be funded and the amount to be provided.

(c) How will the Government promote the use of rail trails.

ANSWER:

I am informed that:

(a) Recurrent funding for rail trails has not been provided for in the Department's 2000-01 budget. However, the development needs of rail trails are currently being assessed as part of preliminary work associated with the next budget cycle.

(b) The Government has allocated $975,000 to the development of rail trails. Allocations for capital development projects are as follows:

Murray to the Mountains Rail Trail

$425,000 (to funded through the Community Support Fund). This funding will enable completion of the full 93 kilometres of the Rail Trail between Bowser (near Wangaratta) to Beechworth and to Bright. When completed, this Rail Trail will be the premier rail trail in Australia. It is anticipated that it will play a significant regional tourism role as well as catering for local recreation needs.

East Gippsland Rail Trail

$550,000 (to be funded over three years as part of the package associated with the recently concluded Regional Forest Agreements). This funding will enable extension of the Rail Trail a further 30 kilometres to Nowa Nowa and also linkage of the Trail with the Gippsland coast at Lakes Entrance via the Colquhoun Forest. It will provide for the reconstruction of several bridges as well as surfacing, signing and conservation works.

(c) The Government promotes Rail Trails through the following sources:

- ***Victoria's Rail Trails*** - brochure published by the Department of Natural Resources and Environment (ISBN 07311 4470 8);
- ***www.nre.vic.gov.au/recreatn/railtrails*** - web page on the Department of Natural Resources and Environment's web site; and
- Periodic articles in national, statewide and regional newspapers and journals.

Arts: arm's length grants

422. THE HON. ANDREA COOTE — To ask the Honourable the Minister for Industrial Relations (for the Honourable the Minister for Arts): Further to the answer to Question No. 232 given in this House on 4 March 2000 stating that "grant applications for the majority of funding programs will be appraised by using both internal and external expertise including peer assessment panels" and given that funding rounds have been conducted during March and will continue throughout April:

(a) Who has been selected to sit on this peer assessment panel.

(b) What are the qualifications for these positions.

(c) How is their artform and industry expertise measured as criteria for the assessment panel.

ANSWER:

I am informed that:

(a)–(b) There will be seven peer assessment panels for the March/April funding round. The panel membership and qualifications follow:

ARTS DEVELOPMENT AND PERFORMANCE WORKS PANEL MEMBERSHIP

Peer Panel Members	Position
Eddie Butler-Bowden	Senior Curator, Australian Studies, Museum Victoria
Elizabeth Gertsakis	Visual Artist and Curator, National Philatelic Archive
Andrea James	Koorie Liaison Officer, VCA and theatre practitioner
Mark Knoop	Musician, Conductor and Artistic Director, Libra Ensemble
Stuart Koop	Curator, Australian Centre For Contemporary Art
Shelley Lasica	Choreographer and Dance Performer
Sue McClements	Theatre Practitioner and Marketing and Development, Manager Gasworks Arts Park
Dr Ian Syson	Writer, Editor *Overland* magazine and Lecturer, Victoria University

PROFESSIONAL DEVELOPMENT PANEL MEMBERSHIP

Peer Panel Members	Position
Alison Fraser	Manager, Cultural Development, City of Melbourne
Dr Sharron Dickman	General Manager, Pathfinder Marketing

FESTIVAL AND EVENT PROGRAM – MAJOR FESTIVALS

Peer Panel Members	Position
Peter Burch	Victorian Branch Manager - Musica Viva Australia
Virginia Hyam	Director - Melbourne Fringe Festival
Rod Quantock	Performer and Comedian

FESTIVAL AND EVENT PROGRAM – LOCAL FESTIVALS

Peer Panel Members	Position
Hugo Armstrong	Director, Queenscliff Music Festival
Lindy Bartholomew	Director, Mallacoota Festival of the Southern Ocean
Simon Clews	Director, Melbourne Writers Festival
Bin Dixon-Ward	Manager - Creative Communities, Regional Arts Victoria
Natasha Ryan	Co-ordinator, Mildura Wentworth Arts Festival

TOURING VICTORIA PANEL MEMBERSHIP

Peer Panel Members	Position
Sally Beck	Acting General Manager - Geelong Performing Arts Centre
Murray Bowes	Director - Warrnambool Art Gallery
Charlotte Day	Director - Centre for Contemporary Photography
Ms Robin Batt	Manager - Frankston Cultural Centre

REGIONAL ARTS DEVELOPMENT PANEL MEMBERSHIP

Name	Position
Paul Holton, CHAIR	Executive Officer, Arts Network East Gippsland
Nicole Beyer	Executive Officer, Youth Performing Arts Australia
Robyn Birrel	Secretariat, Victorian Association of Performing Arts Centres Program Manager, Geelong Performing Arts Centre (GPAC)
Susie Dee	Artistic Director, Festival of the Southern Ocean Mallacoota
Vincent Drain	President, Beechworth Art Council Inc Beechworth
Kim Kruger	Koori Arts Project Officer, City of Port Phillip

INTERNATIONAL PROGRAM PANEL MEMBERSHIP

External Advisory Group Members (Industry)	
Hass Dellal	Executive Director, Australian Multicultural Foundation
Alison Carroll	Director, Arts Programs, Asialink Centre
Susannah Goddard	Corporate Relations Manager, Victorian Arts Centre

(c) Panels are selected to represent a range of skills and industry experience relevant to the objectives of each funding program. Panel members offer expertise in range of art forms, professional involvement in the arts and experience in small to medium arts organisations. The selection process achieves a balance of skills and experience in the arts, marketing, management and education in local, regional and international arenas as appropriate.

Arts: forum

423. THE HON. ANDREA COOTE — To ask the Honourable the Minister for Industrial Relations (for the Honourable the Minister for Arts): Further to the answer to Question No. 233 given in this House on 4 March 2000 and the Government's proposed joint forum with Arts Victoria and the Arts Industry Council:

(a) Has a date for the forum been set.

(b) What are the key objectives of the forum from the Minister's perspective.

(c) How is it proposed that this forum will aid the arts industry.

ANSWER:

I am informed that:

(a) A date for the joint forum is being discussed with the AIC.

(b) Consistent with Bracks' Labor Government Policy on community consultation, the key objective of the forum is to involve individual artists and their representative bodies in policy discussion and development.

(c) The forum will provide the Arts industry with an opportunity to discuss critical issues facing the industry, and exchange information on Arts Victoria's existing programs which will contribute to government policy development.

Arts: forum

424. THE HON. ANDREA COOTE — To ask the Honourable the Minister for Industrial Relations (for the Honourable the Minister for Arts): Further to the answer to Question No. 233 given in this House on 4 March 2000 and the proposed "major industry forum to discuss marketing, publicity, media coverage and audience development", which was held on 29 March 2000:

(a) What arts bodies, galleries, artists and sponsors were represented at this forum.

(b) Did the forum address marketing, publicity, media coverage and audience development issues as stated in its goal.

(c) What initiatives resulted from the forum.

(d) Does the minister envisage conducting further forums in the future.

(e) How will these forums specifically aid the arts community and industry.

ANSWER:

I am informed that:

(a) Over 200 individuals representing Arts Victoria funded and associated organisations (e.g. metropolitan and regional galleries, performing arts organisations and centres, umbrella arts organisations, museums, literary organisations, touring organisations, co-sponsors) were represented at this forum.

(b) Yes, the forum addressed marketing, publicity, media coverage and audience development issues as stated in its goal.

(c) To facilitate ongoing dialogue, Arts Victoria plans to distribute a report on issues raised at the forum and host similar smaller follow-up discussions on key points.

(d) Refer to (c) (above).

(e) The forum and follow-up discussion will aid the arts community and industry by providing them with the opportunity to discuss and keep up to date with current issues related to marketing, publicity, media coverage and audience development. In addition, they provide a consultative forum to assess Arts industry priorities.

Multicultural Affairs: offices

425. THE HON. C. A. FURLETTI — To ask the Honourable the Minister for Industrial Relations (for the Honourable the Minister for Multicultural Affairs): What was the total cost, including all transport, storage and removalist costs, stationery, staff overtime and office equipment, of relocating from 1 Macarthur Street to 1 Treasury Place, the offices of the — (i) Parliamentary Secretary to the Premier on Multicultural Affairs; (ii) Victorian Multicultural Affairs Unit; and (iii) Victorian Multicultural Affairs Commission.

ANSWER:

I am informed that:

The above groups were relocated from Level 3 1 Macarthur Place to Level 3 1 Treasury Place in the first week of February, 2000. The advantages of this was that administratively all DPC divisions which could reasonably be co-located were located in 1 Treasury Place.

(a) The total cost for the Parliamentary Secretary was $942.

(b) The total cost for the Victorian Office of Multicultural Affairs (9 staff) was $13,225.

(c) The total cost for the Victorian Multicultural Commission (5 staff) was $7128.

The total cost of the removal was $21,295. This included architect's costs, removal costs, minor building works, minor repairs, changes to phone lines, workstation reconfiguration and air-conditioning adjustments. There were no staff overtime, storage or immediate stationery costs incurred as a result of the removal.

Aged Care: Riverside Nursing Home

426. THE HON. J. W. G. ROSS — To ask the Honourable the Minister for Small Business (for the Honourable the Minister for Housing and Aged Care):

(a) Did staff at Riverside Nursing Home seek advice from the Department of Human Services on the treatment of scabies at the Home; if so — (i) when; (ii) what advice were the staff given and when; (iii) what subsequent action was taken by the department in relation to this outbreak of scabies; (iv) on what date was action taken; and (vi) did the Infectious Disease Unit conduct an investigation; if not, why; if so, with what result.

(b) What powers does the Secretary of the Department have under the Health (Infectious Diseases) Regulations 1990 to investigate, to direct persons and to enter, search and treat premises in relation to an outbreak of scabies.

(c) Did the Secretary take any action in connection with the outbreak of scabies at Riverside Nursing Home; if so, what action; if not, why.

ANSWER:

(i) Yes.

(ii) On 24 December 1999, 17 January 2000 and 24 February 2000 the Communicable Diseases Section was contacted by a staff member of Riverside Nursing Home seeking information on the treatment of scabies.

After a telephone request for information a staff member of Riverside Nursing Home was provided with telephone advice on appropriate treatment by a medical officer of the Communicable Diseases Section and this was followed by written information which was facsimiled on the same day. This information was an extract from the DHS publication "Guidelines for the Control of Infectious Diseases" which contains details of conventional treatment for this condition. This occurred on 24 December 1999.

The Communicable Diseases Section referred Riverside Nursing Home to the Commonwealth Department of Health and Aged Care on 17 January 2000. On 24 February 2000 a staff member of Riverside Nursing Home, again sought clarification on the correct treatment for scabies. They were again provided with advice by a medical officer on the same day and they confirmed that they had the written material that had been sent to them in December 1999.

(iii), (iv) As referred to above, the Communicable Diseases Section referred Riverside Nursing Home to the Commonwealth Department on 17 January 2000 which was the same day it became aware of concerns regarding the treatment of scabies at Riverside.

(v) Scabies is not a notifiable infection under the Health (Infectious Diseases) Regulations 1990. General State government powers to enter, monitor and regulate nursing home care issues were removed in 1995. Accordingly there was immediate referral of concerns regarding treatment to the Commonwealth which is the responsible authority for funding and regulating residential aged care facilities pursuant to the Aged Care Act 1997.

b) The Chief Health Officer has, under the regulations, powers relating to the control of serious outbreaks of infectious diseases. These powers include to search, seize goods and direct persons in relation to measures to prevent the spread of disease.

c) Refer above. The powers of the Chief Health Officer relate to the serious outbreaks of infectious disease. Department of Human Services' advice is that the relevant circumstances did not exist to warrant invoking such powers and that they deemed the appropriate course was to notify the Commonwealth which occurred on the same day the Communicable Diseases Unit became aware of concerns over the treatment of scabies at Riverside Nursing Home.

QUESTIONS ON NOTICE

Answers to the following questions on notice were circulated on the date shown.
Questions have been incorporated from the notice paper of the Legislative Council.
Answers have been incorporated in the form supplied by the departments on behalf of the appropriate ministers.
The portfolio of the minister answering the question on notice starts each heading.

Wednesday, 24 May 2000

Planning: Plumbing Industry Commission overseas visits 2000

407. THE HON. G. B. ASHMAN — To ask the Honourable the Minister for Sport and Recreation (for the Honourable the Minister for Planning):

(a) How many overseas visits are planned to be undertaken by Commissioners, Board Members and other officers of the Plumbing Industry Commission during 2000.

(b) What is or will be the purpose of each visit and which countries are to be or have been visited.

(c) What are the names and positions held of the persons who will be attending from the commission.

(d) What is the total estimated cost to be incurred by the commission for each visit.

ANSWER:

(a) Four (4).

(b) **England, Scotland and Germany**

(i) To evaluate technology, management, and regulatory systems in England emphasising training and enforcement generally and research setting and installation equipment in gas and unflued gas heaters.

(ii) To deliver keynote address on behalf of the Commission at the Scottish and Northern Ireland Plumbers Employers Federation ("SNIPEF") Annual Conference, on the reform of the regulation of plumbing in Victoria.

(iv) To represent the Commission at the World Health Organisation ("WHO") and WPC workshop in redeveloping the 1982 "Guidelines on Health Aspects of Plumbing" in Berlin.

France and England

(i) To observe and research the French system of self certification, setting standards for on-site water and sanitary installations and evaluate product approval systems and technology.

(ii) to study the issues associated with water saving and the long-term effects of re-use of grey water and the techniques used by French water regulators and French water companies in delivering the safe re-use of grey water

(ii) to undertake technology, standards and regulatory management research in England on water efficiencies, waste re-use and grey water issues.

Japan and Korea

(i) To study new gas appliances technologies and standards, including electronics and computer controls, the impact in new generation appliances on the current workforce, and the training syllabi, re-training packages, regulatory controls and management.

(ii) to assess the product approval process including the "smart gas meter".

New Zealand

(i) To attend and participate in the Australia – New Zealand Reciprocity Association (ANZRA) Bi-annual Conference to set or review uniform recognition of Australian and New Zealand registration and licensing qualifications, uniform recognition of overseas plumbing qualifications within Australia and New Zealand and adopt uniform qualifications and practices within the plumbing industry.

(c) **England, Scotland and Germany**

Mr Graeme Perry
Manager, Technical Services
Plumbing Industry Commission

France and England

Mr John McBride
Manager, Training Industry Standards
Plumbing Industry Commission

Japan

Mr Graham Lester
Executive Officer
Plumbing Industry Commission

New Zealand

Mr Michael Kefford,
Commissioner
Plumbing Industry Commission and Chairman of ANZRA.

Mr Graeme Perry
Manager, Technical Services
Plumbing Industry Commission and Secretary/Convenor of the ANZRA Standards Advisory Committee.

Mr Graham Lester
Executive Officer Plumbing Industry Commission and Secretary to ANZRA.

Person(s) from the Plumbing Industry Advisory Council is yet unknown.

(d) **England, Scotland and Berlin**
The cost estimate is $17,950.00.

France and England
The cost estimate is $17,050.00.

Japan
The cost estimate is $17,050.00.

Australia – New Zealand Reciprocity Association Bi-annual Conference in New Zealand
Unknown

Planning: Plumbing Industry Commission printing and stationery

408. THE HON. G. B. ASHMAN — To ask the Honourable the Minister for Sport and Recreation (for the Honourable the Minister for Planning):

(a) What is the name of the contractor who provided the majority of the Plumbing Industry Commission's printing and stationery needs for 1999.

(b) When did this contractor first commence to provide services to the Commission or its predecessor bodies.

(c) What has been the total value of payments made to this contractor.

(d) When were tenders for these services advertised and what are the details.

ANSWER:

(a) Printing and stationary: Corona Printing (Aust) Pty Ltd

Stationary: Officeworks

(b) Corona Printing (Aust) Pty Ltd: 1987

Officeworks: 1996

(c) Corona Printing (Aust) Pty Ltd: 1987–2000 — $1,304,562

Officeworks: 1996–2000 — $6,280.01

(d) Tenders for these services have not been advertised.

Planning: Plumbing Industry Commission IT services

409. THE HON. G. B. ASHMAN — To ask the Honourable the Minister for Sport and Recreation (for the Honourable the Minister for Planning):

(a) What are the names of the current external providers of computer support services to the Plumbing Industry Commission for its IT systems including the Interactive Voice Response System.

(b) On what date did the contractors begin providing these services to the Commission or its predecessor bodies.

(c) What is the total value of the payments made to the contractors.

(d) Were tenders let for this service; if so, when.

ANSWER:

(a) Genix Technology Pty. Ltd.

(b) 1988

(c) 1988 – 2000 $1,732,145

(d) Yes, February 1997.

Planning: Plumbing Industry Commission Wangaratta office

410. THE HON. G. B. ASHMAN — To ask the Honourable the Minister for Sport and Recreation (for the Honourable the Minister for Planning):

(a) What was the name of the contractor engaged to design the Plumbing Industry Commission's regional office at Wangaratta.

(b) Has that contractor performed similar work for the Commission or its predecessor bodies; if so, what was the nature and extent of such work, when was it undertaken and what was the value of this work.

(c) Was a tender let for the service(s) provided; if so, what are the details.

ANSWER:

(a) David Sutherland, architect for preliminary concept design

John Bouzounis and Associates for detail design.

(b) David Sutherland:

As member of Bryan Dowling Tony Hobba Pty Ltd then in his own right designed and advised on renovation of Plumbers Gasfitters and Drainers Registration Board prospective offices at 450 Burke Road, Camberwell. 1992 - $3,905.00 paid.

Designed and advised on renovation of Plumbers Gasfitters and Drainers Registration Board prospective branch office at 46 Breen Street, Bendigo. 1994. $3,100.00 paid.

Designed and advised on renovation of Plumbers Gasfitters and Drainers Registration Board prospective branch office at 2-4 Skipton Street, Ballarat. 1995. $1,450.00 paid.

Designed and advised on renovation of Plumbers Gasfitters and Drainers Registration Board prospective branch office at 317 York Street, Sale 1994. $4,350.00 paid.

John Bouzounis: No

(c) No

Planning: Plumbing Industry Commission overseas visits 1989–99

411. THE HON. G. B. ASHMAN — To ask the Honourable the Minister for Sport and Recreation (for the Honourable the Minister for Planning):

(a) How many overseas visits have Commissioners, Board Members and other officers of the Plumbing Industry Commission or its predecessor bodies participated in from the period 1 January 1989 to 31 December 1999.

(b) What was the purpose of each visit and which countries were visited on each occasion.

(c) What were the names and positions held of the persons who attended from the commission or its predecessor bodies.

(d) What are the names and positions of any other persons who attended such visits where the commission or its predecessor bodies contributed to the cost of such visit in full or part.

(e) What was the cost of each visit for travel, accommodation, meals and other expenses.

(f) Were reports prepared by commission attendees following each visit and where can copies of those reports be perused.

ANSWER:

(a) 17 overseas visits were made by those listed in (c) between 1 January 1989 and 31 December 1999.

(b) **1. United Kingdom – May/June 1990**
To attend the World Plumbing Conference in the United Kingdom.

To discuss plumbing issues generally and specifically training and assessment issues (immigrant) with UK authorities and associations.

2. United Kingdom, Hong Kong etc - May/June 1993
To present a keynote address to the Institute of Plumbing Conference at Blackpool in the United Kingdom on the subject of regulating plumbing in Victoria.

To research plumbing training and qualifications issues raised in the "Tregillas" report with industry, authorities and associations in the United Kingdom, Scotland, Germany, Denmark and Sweden.

To present a paper to the World Plumbing Conference held in Hong Kong on the subject of "The International Recognition of plumbing qualifications including Bench-mark Competencies".

3. Singapore, Sweden etc – June/August 1994
To research and discuss with various plumbing industry authorities and associations in Singapore, Sweden, Denmark, Germany, Poland, France, Switzerland, Italy and the United Kingdom the regulatory systems, qualifications, product approval, plumbing regulator and the industry operatives, the various methods of self-certification, managed and insurance options as it relates to consumer protection, privatisation and corporatisation of water and gas utilities and issues raised in the "Payne" and "Hossak" Reports.

4. New Zealand – January/February 1995
Plumbing industry group to discuss with building, plumbing and health regulators and study plumbing systems established in New Zealand the use of Certificate of Compliance for gas installations, the management of auditing of installations and to view field audits being undertaken.

5. France – April 1995
Joint Victorian industry delegation to research the costs and benefits of the use of Certificates of Compliance and insurance cover system of consumer protection established in France.

To research and discuss with French insurance underwriters their systems and experience regarding insurance proposed for Victoria.

6. Hong Kong – June 1995
To assist the Federal Police in a fraud investigation in Hong Kong relating to use of counterfeit plumbing certificates of qualification in applications to obtain migration approval as skilled persons.

7. Chicago, Hong Kong etc.– September 1996
To attend the Fourth World Plumbing Council Conference in Chicago for dialogue on plumbing issues

To interview relevant agencies in Hong Kong, France, Denmark, England and New York to resolve serious problems with initial Victorian draft reform regulatory framework legislation gas safety issues.

8. Japan – USA - April 1998
To review and benchmark the outcomes produced by the new Victorian reform legislation against the latest world practice by an industry group delegation and to discuss plumbing product authorisation and training and qualifications recognition.

9. Singapore – September 1998
To attend the World Plumbing Council annual general meeting in Singapore and present a paper on the implementation of the new Victorian reform legislation.

10. **United Kingdom – November 1998**
To comply with the request of Government and the Victorian Overseas Development Corporation ("VODC") to meet with senior officers of the Department of the Environment, Transport and the Regions, Minister, the Victorian Agent General, and the Chairman of the British Government Review Panel into the reform of the regulation of the plumbing and building industry in the United Kingdom and to meet with the Scottish Home Office and to make a series of presentations to on the recent regulatory reforms of plumbing regulation in Victoria and discuss current plumbing practices.

11. **Switzerland – May 1999**
To attend the World Plumbing Council Executive meeting in Zurich, to discuss with the Executive the proposed presentation of the Victorian bid to host the World Plumbing Council Conference in Victoria in 2005, at the World Plumbing Council Conference in South Africa in 1999.

To work as part of the WPC, as a member organisation, with Dr Bertrum of the World Health Organisation, in the preparatory work associated with the re-writing of the "Guidelines on Health aspects of plumbing" on plumbing.

To research plumbing training and qualifications with particular emphasis on metal roof plumbing and solid fuel heater installations.

12. **New Zealand – June 1999**
To present keynote address to the New Zealand Backflow Society at the Annual Conference at Rotorua.

13. **South Africa – September 1999**
To attend the World Plumbing Conference in South Africa, the WPC Annual General meeting as the Victorian delegate and to assist in the presentation of the formal bid by the Master Plumbers and Mechanical Services Association of Australia for Victoria to host the WPC Conference in Victoria in 2005.

To make a presentation on the development by the Plumbing Industry Commission in the area of computer assessment in areas of specialised plumbing.

To make a presentation to a number of delegates on the regulatory framework in Victoria, specifically in respect of the interface between the regulator and the supplier of gas and water services.

14. **New Zealand – November 1995**
To attend the Australia New Zealand Reciprocity Association (ANZRA) executive meeting and ANZRA Standards Advisory Committee meeting in Wellington to set or review uniform recognition of Australian and New Zealand registration and licensing qualifications, uniform recognition of overseas plumbing qualifications within Australia and New Zealand and adopt uniform qualifications and practices within the plumbing industry.

15. **New Zealand – May 1997**
To attend the Australia New Zealand Reciprocity Association (ANZRA) executive meeting and ANZRA Standards Advisory Committee meeting in Taupo to set or review uniform recognition of Australian and New Zealand registration and licensing qualifications, uniform recognition of overseas plumbing qualifications within Australia and New Zealand and adopt uniform qualifications and practices within the plumbing industry New Zealand as part of the attendee's duties.

To present a paper on software development for registration of plumbers.

16. **New Zealand – April 1999**
To attend the Australia New Zealand Reciprocity Association (ANZRA) executive meeting and ANZRA Standards Advisory Committee meeting in Lower Hutt, to set or review uniform recognition of Australian and New Zealand registration and licensing qualifications, uniform recognition of overseas plumbing qualifications within Australia and New Zealand and adopt uniform qualifications and practices within the plumbing industry.

17. **Sweden, Denmark etc – June 1997**
To undertake research in Sweden, Denmark, Germany and France in training and new technology in thermoplastics as an emerging plumbing product and training and assessment for the installation, servicing and commissioning of Backflow Prevention Devices under the provisions of the John Rutherford Overseas Trainer Scholarship.

18. **New Zealand - 1996 and 1998**
To provide travel costs to New Zealand and portion of accommodation and living away allowance to a recipient in 1996 and a recipient in 1998 of the Jack Williamson Victorian/New Zealand Exchange Scholarship to gain plumbing experience in the plumbing industry in New Zealand.

19. **New Zealand - October 1999**
To travel to New Zealand and meet with the New Zealand Eric Douglas Exchange Scholarship recipient to gain 6 months experience with the Victorian plumbing industry and discuss and obtain the Royal New Zealand Army's specific criteria for serving officers in Australia.

(c) 1. **United Kingdom – May-June 1990**
Mr Michael Kefford, Executive Officer, Plumbers Gasfitters and Drainers Registration Board.

2. **United Kingdom, Hong Kong etc - May/June 1993**
Mr Michael Kefford, Executive Officer, Plumbers Gasfitters and Drainers Registration Board.
Mr Fred Smith, Senior Examiner / Technical Adviser, Plumbers Gasfitters and Drainers Registration Board, Secretary Convenor, Australian and New Zealand Reciprocity Association's ("ANZRA") Standards Advisory Committee.

3. **Singapore, Sweden etc – June/August 1994**
Mr Colin Daniel, Chairman, Plumbers, Gasfitters and Drainers Registration Board.
Mr Ray Herbert, Member, Plumbers, Gasfitters and Drainers Registration Board representing Master Plumbers and Mechanical Services Association.
Mr John Rutherford, member of the Plumbers, Gasfitters and Drainers Registration Board representing the Plumbing Division of the Communication Electrical and Plumbing Union.
Mr Michael Kefford, Chief Executive Officer, Plumbers, Gasfitters and Drainers Registration Board.

4. **New Zealand – January/February 1995**
Mr Colin Daniel, Chairman, Plumbers, Gasfitters and Drainers Registration Board.
Mr John Rutherford, member, Plumbers, Gasfitters and Drainers Registration Board representing the Plumbing Division of the Communication Electrical and Plumbing Union.
Mr Brian Rotchford, member, Plumbers, Gasfitters and Drainers Registration Board representing Gas and Fuel Corporation.
Mr Ray Herbert, member, Plumbers, Gasfitters and Drainers Registration Board representing Master Plumbers and Mechanical Services Association.
Mr Michael Kefford, Executive Officer, Plumbers, Gasfitters and Drainers Registration Board.
Mr John McBride, Manager, Training and Industry Standards, Plumbers, Gasfitters and Drainers Registration Board.
Rowan Simpson, Manager, Administrative Services, Plumbers, Gasfitters and Drainers Registration Board.

5. **France – April 1995**

Michael Kefford, Executive Officer, Plumbers Gasfitters and Drainers Registration Board.

6. **Hong Kong – June 1995**

Fred Smith, Senior Examiner / Technical Adviser, Plumbers Gasfitters and Drainers Registration Board, and Secretary Convenor, Australian and New Zealand Reciprocity Association's ("ANZRA") Standards Advisory Committee.

7. **Chicago, Hong Kong etc – September 1996**

   Mr Ray Herbert, member, Plumbers Gasfitters and Drainers Registration Board representing Master Plumbers and Mechanical Services Association.
   Mr John Rutherford, member Plumbers Gasfitters and Drainers Registration Board representing the Plumbing Division of the Communication Electrical and Plumbing Union.
   Mrs Teresa Koy, member Plumbers Gasfitters and Drainers Registration Board representing Minister for Planning and Local Government.
   Mr Michael Kefford, Executive Officer, Plumbers Gasfitters and Drainers Registration Board.

8. **Japan – USA - April 1998**
   Mr Ray Herbert, member, Plumbing Industry Board representing Master Plumbers and Mechanical Services Association.
   Mr Michael Kefford, Executive Officer, Plumbing Industry Board.
   Mr John McBride, Manager of Training and Technical Standards.

9. **Singapore – September 1998**
   Michael Kefford, Executive Officer, Plumbing Industry Board.

10. **United Kingdom – November 1998**
    Mr Michael Kefford, Chief Executive Officer, Plumbing Industry Board.
    Mr Graham Lester, Examiner**,** Plumbing Industry Board.

11. **Switzerland – May 1999**
    Mr Ray Herbert, member, Plumbing Industry Advisory Council,
    Executive Director, Master Plumbers and Mechanical Services Association of Australia.
    Mr Michael Kefford, Commissioner, Plumbing Industry Commission.

12. **New Zealand – June 1999**
    Michael Kefford, Commissioner, Plumbing Industry Commission.

13. **South Africa – September 1999**
    Mr Michael Kefford, Commissioner, Plumbing Industry Commission.
    Mr Graeme Perry, Manager, Technical Standards, Plumbing Industry Commission.

14. **New Zealand – November 1995**
    Michael Kefford, Executive Officer, Plumbers Gasfitters and Drainers Registration Board and Secretary, ANZRA.
    Fred Smith, Senior Examiner/Technical Adviser for Plumbers Gasfitters and Drainers Registration Board and Secretary/Convenor ANZRA Standards Advisory Committee.
    John Rutherford, member of Plumbers Gasfitters and Drainers Registration Board and Victorian delegate to ANZRA, and representing the Plumbing Division of the Communication Electrical and Plumbing Union.

15. **New Zealand – May 1997**
    Susan Smith, Registrar, Plumbing Industry Board.
    Michael Kefford, Executive Officer, Plumbing Industry Board, Chairman, ANZRA.
    Fred Smith, Senior Examiner/Technical Adviser for Plumbing Industry Board and Secretary/Convenor ANZRA Standards Advisory Committee
    John Rutherford, board member of Plumbing Industry Board and Victorian delegate to ANZRA, and Victorian delegate to ANZRA. representing the Plumbing Division of the Communication Electrical and Plumbing Union.

16. **New Zealand – April 1999**
    Michael Kefford, Commissioner, Plumbing Industry Commission and Chairman, ANZRA.
    Graham Lester, Executive Officer, Plumbing Industry Commission, Secretary, ANZRA.

Graeme Perry, Manager, Training and Industry Standards, Plumbing Industry Commission and Secretary/Convenor ANZRA Standards Advisory Committee.
John Rutherford, member of Plumbing Industry Advisory Council, Victorian delegate to ANZRA and representing the Plumbing Division of the Communication Electrical and Plumbing Union.

19. **New Zealand October 1999**
Mr John Ricardo, Supervisor of the Jack Williamson Overseas Scholarship and investigator with the Plumbing Industry Commission.

(d) 5. **France – April 1995**
Mr Matt Faubell, Executive Officer, Urban Land Authority.

13. **South Africa – September 1999**
Ms Bobbie Novotny, Manager, Portfolio Co-ordination, Department of Infrastructure.

17. **Sweden, Denmark etc– June 1997**
Neale Maxwell, teacher, Holmesglen College of TAFE.

18. **New Zealand 1996 & 1998**
Mr Robert Goschnick in 1996 and Mr Luke Hayward in 1998.

(e) 1. **United Kingdom – May/June 1990**
$3,298.00

2. **United Kingdom, Hong Kong - May/June 1993**
$23,000.00

3. **Singapore, Sweden etc – June/August 1994**
$59,274.00

4. **New Zealand – January/February 1995**
$13,293.00

5. **France – April 1995**
$9756.00

6. **Hong Kong – June 1995**
$859.00.

7. **Chicago, Hong Kong etc– September 1996**
$46,900.00

8. **Japan – USA – April 1998**
$55,976.00

9. **Singapore – September 1998**
$2,934.00

10. **United Kingdom – November 1998**
$15,121.00

11. **Switzerland – May 1999**
$12,080.60

12. **New Zealand – June 1999**
Nil

13. **South Africa – September 1999**
$23,550.00

14. **New Zealand – November 1995**
    $7,935.00

15. **New Zealand – May 1997**
    $10,675.00

16. **New Zealand – April 1999**
    $6,774.00

17. **Sweden, Denmark etc– June 1997**
    $5,595.00

18. **New Zealand 1996 & 1998**
    $6,000.00 ($3,000.00 each).

19. **New Zealand October 1999**
    $1,500.00

(f) 1. **United Kingdom – May/June 1990**
    Report was provided to the Plumbers Gasfitters and Drainers Registration Board and described in the Annual Report.

2. **United Kingdom, Hong Kong - May/June 1993**
   Report was provided to the Board and described in the Annual Report.

3. **Singapore, Sweden etc – June/August 1994**
   Report was provided to the Minister and the Plumbers, Gasfitters and Drainers Registration Board. The visit was reported in *The Registered Plumber* newsletter and other industry publications.

4. **New Zealand – January/February 1995**
   Report to Minister and to the Plumbers, Gasfitters and Drainers Registration Board.

5. **France – April 1995**
   Report to the Minister and to the Plumbers, Gasfitters and Drainers Registration Board.

6. **Hong Kong – June 1995**
   Report was provided to ANZRA. and described in the Annual Report.

7. **Chicago, Hong Kong etc– September 1996**
   Presentation of the findings to the Minister, the Department and the Plumbers, Gasfitters and Drainers Registration Board and described in the Annual Report. Specific reports in industry publications.

8. **Japan – USA - April 1998**
   Report provided to the Minister and to the Plumbing Industry Board. and described in the Annual Report. Specific reports in industry publications.

9. **Singapore – September 1998**
   Report provided to the Minister and to the Plumbing Industry Board.

10. **United Kingdom – November 1998**
    Report was provided to the Minister and the Plumbing Industry Board and described in the Annual report.

11. **Switzerland – May 1999**
    Report was made the Minister and the Plumbing Industry Advisory Council.

12. **New Zealand – June 1999**
    Report to the Minister and the Plumbing Industry Advisory Council.

13. **South Africa – September 1999**
Report to the Plumbing Industry Advisory Council.

14. **New Zealand – November 1995**
Report to Plumbers Gasfitters and Drainers Registration Board.

15. **New Zealand – May 1997**
Report to the Plumbing Industry Board.

16. **New Zealand – April 1999**
Report to the Plumbing Industry Advisory Council.

17. **Sweden, Denmark etc– June 1997**
Report provided to the Plumbers Gasfitters and Drainers Registration Board.

18. **New Zealand 1996 & 1998**
Reports, in addition Mr Luke Hayward provided a written report to the Plumbing Industry Commission.

19. **New Zealand October 1999**
Report provided to the Commission and the Plumbing Industry Advisory Council.

Limited copies of the annual reports and *The Registered Plumber* are available from the Plumbing Industry Commission.

Planning: Plumbing Industry Commission inspection and audit services

412. THE HON. G. B. ASHMAN — To ask the Honourable the Minister for Sport and Recreation (for the Honourable the Minister for Planning):

(a) What is the name of the contractor who performs the Commission's inspection and audit services.

(b) When did this contractor first provide these services to the Commission or its predecessor bodies.

(c) What has been the total value of payments made to this contractor.

(d) When was the tender for this service advertised.

ANSWER:

(a) Chisholm Institute of Technical and Further Education and the Lower Murray Water Authority.

(b) The contractors first provided these services on 24 March 1997.

(c) Payments made:

Chisholm Institute of Technical and Further Education	$2,215,136.00
Lower Murray Water Authority	$9,730.00

(d) Expressions of Interest for the various parts of the audit and inspection services for a period of two years were advertised in *The Age* on 14 December 1996 with a closing date of 24 December 1996.

New Expressions of Interest for the supply of audit and inspection services for the following period were advertised in *The Age* on 6 February 1999.