PARLIAMENT OF VICTORIA

PARLIAMENTARY DEBATES (HANSARD)

LEGISLATIVE COUNCIL

FIFTY-FOURTH PARLIAMENT

FIRST SESSION

29 November 2000

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WEDNESDAY, 29 NOVEMBER 2000

Wednesday, 29 November 2000

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

BUSINESS OF THE HOUSE

Sessional orders

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

That so much of the sessional orders be suspended as would prevent new business being taken after 8.00 p.m. during the sitting of the Council this day.

Motion agreed to.

ECONOMIC DEVELOPMENT COMMITTEE

Workcover premiums

Hon. N. B. LUCAS (Eumemmerring) presented interim report for 2000–01, together with appendix.

Laid on table.

Ordered to be printed.

PAPERS

Laid on table by Clerk:

Drugs, Poisons and Controlled Substances Act 1981 — Standard for the Uniform Scheduling of Drugs and Poisons, No. 15, December 2000, together with Amendment No. 2 and Minister's Notice regarding the amendment, commencement and availability of the Poisons Code (two papers).

Statutory Rules under the following Acts of Parliament:

Motor Car Traders Act 1986 — No. 115.

Tobacco Act 1987 — No. 116.

Subordinate Legislation Act 1994 — Minister's exemption certificate under section 9(6) in respect of Statutory Rule No. 116.

MELBOURNE SHOWGROUNDS AND EXHIBITION CENTRE

Hon. M. A. BIRRELL (East Yarra) — I move:

That this house supports:

(a) a major redevelopment and upgrading of the royal Melbourne showgrounds; and

(b) an expansion of the Melbourne Exhibition and Convention Centre including the creation of a 5000 seat plenary hall.

Many great projects should be being built in Victoria today. The motion highlights two of those projects in an attempt to overturn the lethargy and inactivity that surround the current Labor government and get those two projects moving. There have been many lost opportunities for the building of new infrastructure for the state, and the two projects referred to in the motion deserve immediate attention.

The aim of the motion is to have the government commit itself to those projects in a public and explicit manner and therefore give confidence that the projects will proceed. They are different projects, but they have great virtues that in part overlap, firstly for the showgrounds controlled by the Royal Agricultural Society of Victoria and secondly for the next major phase of the Melbourne Exhibition and Convention Centre. Both of those assets are icons of Victoria and of Melbourne. Both deserve state government support so they can be upgraded in the one case and extended in the other.

Unfortunately the Labor government has initiated no new major projects, and it is time that it did. These two projects have been buried in a morass of indecision and delay. Consequently they have no definite future, even though they enjoy significant community support. During the last election campaign the Liberal and National parties made it clear they believed those two projects should and would proceed and would attract state government funding. The Liberal and National parties have nailed our flag to the mast, and we seek to get the Labor Party to nail its flag to the mast on those projects. There should be no doubt about each of those additions to our asset base going ahead, but currently there is.

I will outline for each project the case for the extensions and the expenditure of public funds, and in doing so I will urge the government to give a clear and unequivocal policy statement in favour of the projects and set out some kind of time line for action. Too much time has already been wasted. Well over a year has gone since the election, and the government has issued no statement of policy other than comments such as, 'Get a submission in', or, 'We will look at it'. We on this side of the house do not want these projects to fall into the same trap that have many others have fallen into, where endless internal committees are a substitute for action.

I will deal first with what are colloquially known as the royal Melbourne showgrounds — the magnificent

showgrounds controlled by the Royal Agricultural Society of Victoria on Epsom Road in Ascot Vale. Virtually all Victorians would have enjoyed those facilities at some stage of their lives, but there would not be a visitor to the showgrounds who does not conclude that the showgrounds are due for a major overhaul.

The agricultural society's showgrounds are listed on the Victorian Heritage Register because of their historical importance. They are recognised in that register as:

> The largest agricultural show complex in Australia, a vital part of Australia's oldest industry, and an important location for the enactment of national identity … intimately related to the ongoing presence of the annual show.

The annual show is a visible and popular event that enjoys the support of people from rural Victoria and also, of course, people from urban Victoria and interstate. Each year the Royal Melbourne Show provides an annual economic injection of about $130 million, including a $40 million contribution to the rural community. It creates about 4000 effective full-time jobs. Symbolically, the show also acts as a bridge between the country and the city; it helps bring country people to Melbourne; it helps Melbourne people understand the opportunities and challenges of rural life. It acts as a showcase for rural produce and has turned out to be one of the most popular events in Australia in terms of public participation.

The showgrounds are close to the city, only 10 minutes from the central business district; they are only 15 minutes from Tullamarine airport; they have their own train link and can therefore be regarded as one of the most accessible places in the city. Their access to City Link is an added asset of enormous importance.

All those advantages should draw the Bracks Labor government to support the upgrading of the showgrounds that the Liberal and National parties have already supported. Instead of regarding them as an asset of enormous value, the Labor Party has treated them as something that deserves indifference and indecision. The opposition does not accept that, and it calls on the government today to vote in favour of the motion as a way of marking its support for the upgrading of the agricultural society's showgrounds.

The opposition calls on the government today to indicate a time line for its funding and not to dither or use words such as, 'We will get back to you', as an excuse to hide the fact that that is its only policy. The opposition does not want the government to say it will consider it over a period of a few months. It does not want the government to say it might be able to say something on this in 2001. The opposition wants a clear-cut, unequivocal statement from the government that it backs the upgrading of the showgrounds because that asset deserves such unequivocal support.

Ordinary Victorians want to see taxpayers' money used productively and wisely to enhance the showgrounds. Country Victorians in particular want to see this asset, based in the capital city, made the subject of substantial government backing. If that does not occur, we risk the entire showgrounds and we risk the showcase role provided by the showgrounds.

The president of the Royal Agricultural Society of Victoria, Jack Seymour, is reported in the *Weekly Times* of 4 October as saying:

> The Royal Melbourne Show could close within five years without a state government rescue package …
>
> Mr Seymour said consultants had given the show another five years …
>
> He said although the Melbourne show ran at a profit, it could not generate sufficient revenue for basic maintenance of the facilities.

The article reported that the society wants a multimillion dollar livestock pavilion at the western end of the grounds and a range of multipurpose exhibition pavilions and administration offices. Mr Seymour also believes the site could be used in part as a head office precinct for companies and organisations involved in agriculture. Those are sound ideas that reflect a realistic use of important public land with such a heritage.

On 5 September 1999 the Liberal and National parties announced, as part of the Building Victoria's Future policy, that $50 million should be allocated to redevelop the agricultural society's showgrounds to make them Australia's peak agricultural and livestock exhibition facility. We committed ourselves to that funding. The funding was earmarked, but now it has been lost. We have waited for more than a year for any statement from the Labor government on its funding support for this project, but there has been deathly silence. Why should country Victorians have to wait for a statement of support for funding for the showgrounds? Why should we squander the opportunity that is clearly available to us?

There can be no suggestion that the preparatory work has not been done. It has been done at length by the Royal Agricultural Society of Victoria in its presentations to the previous government, with detailed ideas and plans, which led the previous government to make a cast-iron commitment of $50 million, and it should have led this government to simply repeat that

commitment more than 12 months ago. Construction could have begun six or eight months ago. Instead there has been nothing. It is not good enough. Today we seek an unequivocal statement. Or if the government so wishes, it can put on the record that it does not support an upgrade of the showgrounds.

The second major project the opposition seeks to address in the motion today is the expansion of the Melbourne Exhibition and Convention Centre, another major project deserving of unequivocal government support and a clear statement of intent. The Melbourne Exhibition and Convention Centre is pivotal to the success of our tourism and convention industry and, like the showgrounds, is an icon of the state and a significant piece of publicly owned infrastructure.

The opposition believes the Melbourne Exhibition and Convention Centre should be extended in the next phase of its development. In particular, a 5000-seat plenary hall has to be built in the near future as part of that centre. As a further stage active consideration must be given to extending the exhibition hall space of the centre. As with the showgrounds, prior to the last election the Liberal and National parties, having thought through a vision for such infrastructure, put on the record that they would commit themselves exactly to that end. We had no difficulty in unambiguously committing ourselves to an extension of that great centre.

The Labor Party and the Labor government have been silent. The indifference of the Labor Party to a great exhibition space for Melbourne and Victoria goes back a long way. When the former coalition government came to power in 1992 it inherited no plans and no money for a new exhibition centre for Melbourne. Indeed, in its 1988 policy documents and also in 1992 the Labor Party never spoke of any vision it had for a new exhibition centre for Melbourne. We had that vision, having announced it in 1991, and then began to implement it in 1992 and 1993. We have the score on the board for the exhibition and convention industry, and we always had plans to keep rolling out the asset along the banks of the Yarra.

Our vision, announced as part of our major projects policy, saw the then Liberal–National government make a commitment in early 1993 as part of the Agenda 21 initiative.

In 1993 the Kennett government announced it would build an exhibition centre on the banks of the Yarra River opposite the World Congress Centre. In 1996 the exhibition centre was opened. There was no indifference, no indecision, no delay, and there were no doubts. The Kennett government made the promise, got on with the job and delivered. In stark contrast, the Labor government has been silent on the needs of the exhibition industry. It is silent on the need to expand the Melbourne Exhibition and Convention Centre complex.

The motion is designed to make it clear that the house — and hopefully the Labor government — supports the extension of the centre. The opposition hopes it will prompt the government to move from a position of endless talk to precise action. If nothing else, the opposition looks forward to the government voting in favour of the motion so it is clear to the exhibition and convention industry that the project will go ahead.

Promising, building and then opening the Melbourne Exhibition and Convention Centre was not the Kennett government's only aim and only achievement. The then government had a phased strategy for the precinct, and as a result it moved from the opening of the centre to the next stage of creating an act of Parliament that covered the precinct, assets and potential assets of the precinct.

On 5 February 1997, the government proclaimed a bill that I introduced in 1996 to create the Melbourne Convention and Exhibition Trust. That act ensured that for the first time the government would control all the assets in the field; not just the new exhibition centre, but the assets that it had been quietly and competently working behind the scenes to purchase.

In 1997 the Kennett government announced the purchase of the new World Congress Centre. Those honourable members not aware of the background to that purchase may find it surprising that the Victorian government had to purchase the centre. I remind honourable members that it was the living embodiment of the crook financial policies of the Cain and Kirner governments. Not only did the World Congress Centre breach all good planning policies by being built into and overshadowing the Yarra River, it breached all good financial policies because it was sold off to Asian banks. In coming to office in 1992, the Kennett government found that, despite the massive expenditure of public funds to build it, the World Congress Centre was not owned or controlled by the state and that its destiny could not be determined by the state.

In August 1997, with the active and inspired support of the then Treasurer the Honourable Alan Stockdale, I moved to buy back the building, which was then transferred to the new Melbourne Convention and Exhibition Trust in August 1997. For the first time in history, Melbourne not only had the best exhibition

centre but it was integrated with the convention centre. To physically link the two centres the then government moved to the next stage of the project, to build a pedestrian bridge across the Yarra River, which it did in 1998 and so physically linked the two assets.

The Kennett government then moved to the next stage of the project. In 1998 it commenced buying a land bank sufficient to keep expanding the area. Again it got the score on the board. In 1999 it purchased what was then the Mazda site, thus stopping any commercial development of the area which would have forever deprived the government of the opportunity to expand the precinct. Now that the state owns the site it has the opportunity to provide for incremental growth of the exhibition space.

The next plan the government worked on was to engage consultants through the trust to build the 5000-seat plenary hall. The ideas have been considered and the plans are there. The only thing required now is something lacking in the state: government vision and leadership. We have indifference about whether there will be a 5000-seat plenary hall. We have indifference about whether there will be incremental growth in the great asset the Kennett government developed for Melbourne, the capital city of the state of Victoria.

I hope there is no doubt in the minds of members of the government about the value of the exhibition centre, the value of its being linked to the convention centre, the value of the precinct and the value of expanding it. The Kennett government's plans for expansion of the complex was to keep growing the asset.

The Melbourne Exhibition and Convention Centre is the largest of its type in the southern hemisphere. Victoria has a robust asset for conferences, major forums and displays linked with the exhibition centre. If Victoria does not have the plenary hall it will miss the next opportunity for growth and the opportunity to attract combined conventions and exhibitions, which it needs to ensure it has dominant market share.

Melbourne is certainly at risk of losing the market share it already has, given the growth in the international congress and exhibition industry over the coming years. The industry is fiercely competitive. It cannot do what the government thinks it can do — accept the strength of the Kennett government, but not build on it. Victoria has to keep building on its strengths and assets, because otherwise Victoria's advantage will slip away. There has been a dramatic growth in the number of competitive players that have developed infrastructure in Australia and the Asia–Pacific region. Expansions have been or are being undertaken in Sydney, Cairns and Adelaide. New centres are under way in Perth, the Northern Territory and the Gold Coast. Competitors are also constantly re-emerging in Singapore, Hong Kong, Japan, South Africa and Malaysia.

Victoria has the critical mass, the image and the infrastructure base to beat all those competitors, but it needs to keep adding new features, new attractions and vitally needed new infrastructure. If it does not do so, it will lose the massive economic and job benefits that the convention and tourism industry brings to the state through the Melbourne Exhibition and Convention Centre. Victoria must seek to add a 5000-seat plenary hall, which will attract the congresses that currently bypass Melbourne. Linked with the exhibition space that Victoria has and can have in the future, the plenary hall will secure Victoria's role as the dominant player in the field in the Asia–Pacific region.

Melbourne currently facilitates conventions of up to 2500 people in a plenary or theatre mode. It does so comfortably, although for events attended by more than 1500 people the main theatre at the convention centre has to be converted to a partial flat-floor space, which adds significant costs. Our two major domestic competitors, Sydney and Brisbane, both have larger facilities but are theatre-style convention centres.

The Sydney Convention Centre has the capacity for 3500 people in plenary mode and as a result it has won a number of congresses and conventions that could have come to Victoria. For example, the 2003 world congress of pharmacy, which will have 2500 delegates; the world meeting of the International Road Federation, with 3000 delegates; this year's International Congress of Endocrinology, with 5000 delegates; the international congress of clinical immunology with 5000 delegates; the world congress of intensive care medicine, with 3500 delegates; and the congress of the World Federation of Neurological Societies, with 3000 delegates. Melbourne needs those high-class, high-skilled events and could have gained them if the government took the next step.

At the last election the Kennett government announced it would do the work for the plenary hall. It had already started, with consultancies through a number of different firms working for the government through the trust. Why is it that the current government, well into its first term in office, has failed to announce that it will go ahead with the project or even to talk publicly about it?

The government owns the land required for expansion on the south bank of the Yarra River, there is a massive facility on the north bank and plans are in place. The opposition seeks to get the in-principle statement that is

required through this motion. Instead there is silence, and that is not good enough. A number of sites could be used for the plenary hall, including many on the north bank that surround the area of Flinders and Spencer streets. The opposition asks the government to do the hard work required to turn the vision into reality.

The former government created the asset: it created the Melbourne Exhibition and Convention Centre, it purchased the World Congress Centre and linked the two under a common act of Parliament. The former government physically linked them with a marvellous pedestrian bridge. It purchased the Mazda site so that expansion could take place. It established the Melbourne Convention and Exhibition Trust which provides positive leadership.

Industry wants the plenary hall; the bookings are guaranteed for such a great asset. However, we find today that the only way to prompt the government is to bring a motion that tells the government to get on with the job. In simple terms, this is a statement of unequivocal policy that the opposition is seeking. The statement does not set time lines because the opposition did not want the government to escape from supporting the motion on the basis of a technicality. The opposition wants the situation to be clear cut.

In communicating with the supporters of the two projects, which is a huge group of people, opposition members have made it clear that we will put ourselves on the line in this motion, as we did in our policies. We have also indicated to them that the government's statements in the house today on these two major projects for Victoria will be indicative of whether it is just putting it off or whether it is prepared to get on with the job.

Victoria used to be a place on the move. Over the past 14 months Victoria has seen a government that believes it can just take the inheritance of the past and not add to it in the belief that the economy and society will still be on the move. The government's indecision is harming the state enormously, and with these two projects and the funding commitments we seek from the government, we can at least get an indication that there will be two things of long-term and enduring value done for the state.

Hon. G. W. JENNINGS (Melbourne) — I am pleased to enter the debate to give a number of undertakings on behalf of the government and to reaffirm a number of propositions put forward by the Leader of the Opposition about the significance of the two projects that are the subject of the debate today. The government shares the view that the projects are worthy, and it is seriously contemplating how to progress the projects and developments and how to work with the Royal Agricultural Society of Victoria and the Melbourne Convention and Exhibition Trust to get the projects developed.

Hon. N. B. Lucas — Are you going to vote in support of the motion?

Hon. G. W. JENNINGS — I indicate to the house that the government will vote in support of the motion.

Honourable members interjecting.

The ACTING PRESIDENT (Hon. R. H. Bowden) — Order! There is too much noise in the chamber. I ask honourable members to allow Mr Jennings to develop his case.

Hon. G. W. JENNINGS — I thank the Acting President for his support. There is no doubt that I will be able to get through my contribution this morning because by and large opposition members will be pleased to hear what I have to say. The Leader of the Opposition used a number of phrases in his contribution, and there is one that I would like to hold on to for a minute or two. The Leader of the Opposition said that hard work is required to turn the vision into reality. That is a point we should all contemplate in terms of how these matters should be appropriately dealt with.

During the past 12 months a number of debates have taken place about the appropriate way to deal with the government's budget commitments. I congratulate the Leader of the Opposition on crafting this motion in a way that is different from the way in which similar motions have been drafted at earlier stages in the year. I cite the example of the motion for the government to include funding for the Scoresby freeway.

Hon. Bill Forwood — You voted against it!

An Honourable Member — Do you remember?

Hon. G. W. JENNINGS — I do remember. I am happy to advise the house of why the government voted against the motion, but the Minister for Transport, that day and subsequently, took up the mantle of pursuing that project. The nature of that motion was that the opposition called for the project to be funded within the budget. That was the fundamental failing in the drafting of that motion, and it is different from the way this motion has been drafted today. The government is prepared to support the motion today, as it is clearly different from the provocative motion that was before the house in relation to the Scoresby freeway. It has to

deal with the way in which this house understands its role in urging the government to support important initiatives, which these two projects clearly are.

The government will support the motion today because it has been drafted to give some hope and encouragement to the Royal Agricultural Society of Victoria and its supporters, and to the exhibition trust and supporters of the people who seek to undertake extensive exhibitions in Victoria in the future. In the government's view both are critical to the ongoing viability of Victoria's agricultural sector and its export community and play an extremely useful role in supporting the growth of the Victorian economy.

The critical issue that must be contemplated is how the government determines the appropriate level of support that may be provided by the government in any budget cycle, or the funding arrangements that may apply to make sure these developments take place. Where I differ from the Leader of the Opposition is that I strongly argue the government has not sat on its hands over the past 12 months; the government has been extremely proactive in generating important investment and infrastructure throughout Victoria, and has made significant undertakings to the people of Victoria on a number of projects.

Hon. M. A. Birrell — Name one project that the Minister for Major Projects and Tourism has announced?

Hon. G. W. JENNINGS — The important issue is — —

Hon. Bill Forwood — Let *Hansard* show that there was no comment.

Hon. G. W. JENNINGS — I am sure *Hansard* will show that the interjections from opposition members were not responded to because it is my intention to outline to the house the major funding programs that the government has undertaken on behalf of the people of Victoria, which include the $1 billion Growing Victoria fund and the Regional Infrastructure Development Fund. Strangely, the Regional Infrastructure Development Fund was opposed when it was first introduced into the house — —

Hon. Bill Forwood — No, it was not.

Hon. G. W. JENNINGS — I believe it was a moot point whether the funding was opposed, because the house sent the bill back and it was clearly understood in regional and rural Victoria that the $170 million the government was proposing to fast-track into investment in rural and regional Victoria was included in the bill sent back to the Legislative Assembly by this house.

Hon. Bill Forwood — Improved.

Hon. G. W. JENNINGS — The bill was sent back to the Legislative Assembly, returned to the Legislative Council and not altered. I believe any keen observer of parliamentary debates would know that on its return to the Council that bill was approved unamended.

The important infrastructure undertakings of the government have led to the public sector asset program increasing consistently over the forward estimates in the first budget brought down by the Labor government. The program has increased from $1.123 billion in 1999–2000 to $1.921 billion by 2003–04.

The infrastructure funding commitments this government has entered into are different from those reflected in the practices of the outgoing previous government. The projects that are the subject of the debate today are a case in point. The $50 million the Leader of the Opposition described as a firm undertaking the outgoing government gave to support the development at the showgrounds he subsequently described as $50 million that disappeared. However, that supposed $50 million commitment appeared nowhere in the forward estimates the government inherited. In fact, the $50 million was not allocated to the project by the former government.

That has been a recurring theme with a number of projects the opposition has supported during the course of this year. It has portrayed the situation to the Victorian people as though it had made significant commitments to those projects, but there was nothing in the forward estimates inherited by the present government to suggest there was any legitimate, ongoing or guaranteed funding for any of the projects the opposition now jumps on the bandwagon to enthusiastically support.

Those are hollow words if the money was not included in the forward estimates of the former government. That is why I would be very reluctant — —

Hon. M. A. Birrell — Why didn't you do it in your budget?

Hon. G. W. JENNINGS — I would be encouraging the appropriate ministers to contemplate what should appear in the important Growing Victoria fund or any other funds to see what may be available.

Hon. M. A. Birrell — How could you vote in favour of this motion and then not fund them?

Hon. G. W. JENNINGS — You can support the motion on the basis of recognising the importance of the facilities' contribution to the Victorian economy and the community and acknowledging that hard work needs to be done.

An Opposition Member — Mark's about to ring up Jack Seymour.

Hon. G. W. JENNINGS — Jack Seymour is a very honourable man. I met with him and his committee of management at the royal show this year and was very impressed with his commitment to the redevelopment program and to rural and regional Victoria.

As the Leader of the Opposition said, Mr Seymour and his committee of management were extremely creative in putting forward an investment proposal and have been very inventive in the way the current showground facilities are used. By no means could they be described as not prepared to look at the broadest possible ways of solving their ongoing infrastructure investment problems. They have been extremely creative in suggesting ways of ensuring an ongoing and growing use of the showground facility. I was most impressed by their preparedness to look at events such as Xtreme sports, which is an emerging youth culture activity, and also to hear from a member of the committee from regional Victoria who is a senior citizen being acutely aware of an emerging sport. He was extremely 'with it' in considering capturing a new market for the showgrounds.

I am happy to put on the public record that the committee of management of the Royal Agricultural Society of Victoria is moving comprehensively with the times and is attempting, wherever possible, to be at the cutting edge of uses for the facility that will attract people from all over Victoria to use it on an ongoing basis. It is a critical component of the investment plan to find a way to use the showgrounds not only for the spectacular, one-off royal show in September of each year but with a consistent, ongoing pattern of use. I congratulate the Royal Agricultural Society of Victoria on working diligently to achieve that objective.

I have less experience with the exhibition and convention centre, but obviously it has played a significant role in showcasing Victorian commerce. It plays an extremely useful part in helping both the import and export industries in Victoria. The previous government inherited a facility at the site of the exhibition centre that the previous Labor government had intended to be the site of the new museum. The transfer of the museum from that site to the site in the Exhibition gardens led to angst in the community that I represent in Melbourne Province. But I am prepared to give credit where credit is due. When my son and I visited the new museum recently we were very impressed with the development. The potential for it to be a prime centre of exhibition and cultural experience for the people of Victoria should be acknowledged.

The problems with that project relate to the original planning regime, which as I say led to some angst in the community and some significant problems in project management, project facilitation and project costing. In fact significant costs overruns occurred in the museum development because of the regime inherited by the present government.

Hon. M. A. Birrell — You've got your rhetoric wrong. You're talking about Federation Square.

Hon. G. W. JENNINGS — There were significant problems at Federation Square as well.

Honourable members interjecting.

Hon. G. W. JENNINGS — I do not think you have to worry about this, Mr Acting President, but I think there will be a desperate scramble on the floor of the chamber this morning to apportion blame for the cost overruns at Federation Square.

Hon. M. A. Birrell interjected.

Hon. G. W. JENNINGS — There is no doubt that the financial arrangements the present government inherited for Federation Square led to significant cost overruns and delays, related largely to the construction and project management regimes. The great problem with Federation Square is that the original design concept was for a project with a certain financial ceiling that was never, never the ceiling. In fact, it was shown to be about half the cost of the final project.

The opposition may want to gild the lily on some design changes imposed upon the project by the current government, but from the foundations up and from the design up the project management of Federation Square was in trouble prior to the present government coming to office.

The Leader of the Opposition posed the question: how long can people in country Victoria wait for the redevelopment of the showgrounds? Although the showgrounds redevelopment means something to the people of rural and regional Victoria the real question honourable members should address in their

contributions today is how long the people of Victoria can wait for key infrastructure to be delivered in their communities. That was the legacy of the Kennett government and the burning question for rural and regional Victorians is: where is the money for schools, hospitals, community facilities, roads and rail services? The significant support the incoming government received at the 1999 election was the result of country Victorians not being prepared to wait any longer for those services to be delivered. The government's priorities during the past year have been directed to shifting service support and infrastructure spending into rural and regional Victoria.

The motion seeks to give priority to projects that are in the centre of the city. I represent a city electorate and would be grateful for any activity that were to occur in my electorate, but it is salutary for honourable members, particularly those from rural and regional electorates, to consider what priorities should be apportioned to city-centric projects as compared with projects that provide services to and make a direct impact on the daily lives of country Victorians.

Those are the critical issues that have to be contemplated in determining the government's infrastructure investment program. I am pleased to say that the Bracks government has made significant contributions in trying to build infrastructure links. Although there will be a scramble to take credit for the Spencer Street redevelopment, its importance rides in tandem with the commitment of this government, not the previous government, to significantly invest in regional rail lines. This government's priority has been to fast-track, for want of a better word, infrastructure development on the Bendigo, Ballarat, Geelong and Latrobe Valley rail lines. That is a clear point of difference between this government and the previous government, notwithstanding that both governments may be enthusiastic proponents of the Spencer Street redevelopment.

Over the past few days there has been an approach from the commonwealth government to deal with significant infrastructure issues throughout the country. However, I am dismayed that the approach adopted through an investment of $1.2 billion from the commonwealth government in supporting — —

Hon. B. C. Boardman — Do you welcome it?

Hon. G. W. JENNINGS — I would welcome spending on the project if it had a longer lasting significant benefit for the Victorian community rather than being an approach that may effectively see $1.2 billion spent on fixing up potholes around Australia. That is the danger given the way the funding allocation has been made and the way that significant amount of money will be spent across the nation.

Hon. W. R. Baxter — Do you agree with Beazley that it is a boondoggle?

Hon. G. W. JENNINGS — I would never use such a term on the public record. The disappointing aspect would be that if there is no ongoing value to the nation — —

Hon. M. A. Birrell — What does this have to do with the motion?

Hon. G. W. JENNINGS — It is an important consideration in how the government prioritises its spending and tries to maximise long-lasting benefits to the nation or the state. The problem the commonwealth will confront shortly, when support is sought to underpin — —

Hon. M. A. Birrell — On a point of order, Mr Acting President, this is a rambling diatribe and has nothing to do with the motion. The motion is about the Melbourne showgrounds being redeveloped and upgraded and about the Melbourne Exhibition and Convention Centre being expanded, and in particular the creation of a 5000-seat plenary hall. The Honourable Gavin Jennings has the opportunity to canvass matters relating to infrastructure but is clearly using his contribution to avoid providing detail on behalf of the government about the specifics of its commitment to either the showgrounds or the exhibition centre. I ask you to bring him back to the motion and direct that he address his remarks to it.

The ACTING PRESIDENT (Hon. R. H. Bowden) — Order! In the ordinary course of debate it is fair and reasonable for a considerable degree of latitude to be allowed to an honourable member in referring to infrastructure. In providing that latitude the Chair has indulged the honourable member at considerable length. I do not uphold the point of order. However, I suggest that the honourable member confine his general comments to the motion.

Hon. G. W. JENNINGS — Thank you, Mr Acting President, for your encouragement for me to reiterate. I have been on my feet for 25 minutes. For about 17 minutes of that time I have probably spoken exclusively about the developments at the showgrounds and the exhibition centre, and I may have strayed in the last few minutes. I reconcile that point with the substantive point about allocating priority to the funding of those specific projects. There has been the potential for this to be a three-card trick, or to use a

phrase that comes to mind in relation to another significant event that occurs in April, Anzac Day — —

Hon. B. C. Boardman — What date?

Hon. G. W. JENNINGS — It is 25 April. The phrase is 'come in spinner'. It is appropriate because over the past week during the adjournment debate there has been a litany of requests from opposition members on funding issues in either their electorates or in some instances other members' electorates that may have some merit. I think the Honourable Cameron Boardman last night on the adjournment debate congratulated the government on introducing 20 new police into the Frankston area and then went on to say he wanted more.

Hon. B. C. Boardman interjected.

Hon. G. W. JENNINGS — Like Oliver Twist!

The ACTING PRESIDENT (Hon. R. H. Bowden) — Order! I suggest to Mr Jennings that he confine himself to remarks that are closer to the motion.

Hon. G. W. JENNINGS — I am making the point that any number of demands are made by honourable members for the government to support projects. Each and every one of them, including the two in the motion today, have merit and are worthy of consideration and support. However, the priority the government affords them will depend on the assessment that is a made and the opportunity that may be available for private partnerships. The Treasurer created funding program arrangements to encourage investment in the state, and it may be the appropriate vehicle to provide funding for the projects we are debating.

I agree that a number of worthy projects and infrastructure issues must be addressed and that opposition members may raise legitimate points in seeking support for services in their electorates. Taken in isolation, the government would oppose none of them. If the government had the luxury of being able to bandy money about at its whim it would be easy for it to agree to fund projects immediately and to fast-track them all. However, one of the burdens of government is the need to apply the appropriate priority to projects and achieve the appropriate mix.

The government is working productively and constructively with the Royal Agricultural Society of Victoria in pursuing its worthy redevelopment project for the showgrounds. I am confident the Minister for Major Projects and Tourism in another place and other relevant ministers will do whatever they can to facilitate the development of the auditorium at the Melbourne Exhibition and Convention Centre in an appropriate and timely fashion.

I support the motion of the Leader of the Opposition because it is not time specific and it does not present the government with overly onerous and unrealistic expectations. The passing of the motion will put the government on notice that the chamber believes the projects are worthy of support.

I am happy to put on the public record that the government recognises the validity of supporting those two projects and will therefore support the motion.

Hon. W. R. BAXTER (North Eastern) — I support the motion, as does the National Party, and I commend the Leader of the Opposition for bringing it before the chamber.

I should probably say I am delighted that the government also supports the motion, but unfortunately, having listened to the Honourable Gavin Jennings, all I can say is that he has damned the motion with faint praise. If I were Jack Seymour or a member of his committee at the Royal Agricultural Society of Victoria, Mr Jennings's remarks would not give me much comfort that the government was going to do something for me in a reasonably short time span. I do not think the convention centre is even on the government's horizon!

I thought Mr Jennings might have given the house a somewhat more rigorous appraisal of the projects and a better indication of the government's commitment to them, rather than simply saying, 'Yes, they are both worthy projects. We will put them on the wish list for the future, but we really have no intention of doing them'.

I do not think the government can get away much longer with running out the tired old line that somehow or another the previous government deprived rural and regional Victoria of development. It suggests that the Bracks government is the saviour of country Victoria and says, 'Look what we have done with the regional infrastructure fund'. The government should get the facts straight.

I take up an interjection Mr Boardman made earlier. We are proud to stand on our record of what the coalition government did not only in restoring the finances of the state but also in committing huge amounts for capital renewal and refurbishment right around the state. A great deal of money was spent in Melbourne on things like the new museum — there can

be only one icon museum in a state, and clearly it needs to be in the capital city. It would make no sense to build it — or the library, the exhibition centre and so on — in Sale or Wodonga. It is a tribute to the vision of former Premier Kennett and the former coalition government that they came to office in 1992 with a bankrupt Treasury, acknowledged that the state's great public buildings had been allowed to fall into a decrepit state by the Cain and Kirner governments and set about restoring not only the state's budget but also maintaining the state's great public assets — its classical buildings.

I reject entirely the government's constant mantra that somehow or another schools and hospitals were neglected by the former government. I have said before and will keep on saying — because the government keeps repeating the mantra that nothing was done — that in my electorate, which can be used as an example of most of country Victoria, the money spent on hospitals was phenomenal. In the seven years of the Liberal–National government millions of dollars were spent on virtually every hospital in my electorate, whether it be the large hospitals at Wodonga, Wangaratta, Shepparton or Echuca or the smaller hospitals at places like Kyabram, Tallangatta, Corryong, Mount Beauty and the like.

Similarly, I repeat what I have said in the house before, that more money was being spent per year on schools in my electorate under the former government than was spent in the last five years of the Cain and Kirner governments. So let us put aside the mantra that somehow or another the former government had a great intent to deny rural and regional Victoria.

Mr Jennings also mentioned roads. I can speak with some authority on roads as I was the minister who introduced the Better Roads fund, which committed a higher percentage to country road funding than the 28 per cent of road revenue provided by country motorists. The Better Roads fund committed 33 per cent of funding for roads in country Victoria. Yes, there is a problem with local roads, and under the peculiar road funding regime this nation has, which ought to be changed, local roads are not the responsibility of the state government. Did that stop the coalition government from assisting local roads? No, it did not. It made special provision under the Better Roads program to get funding into local roads.

I again reject the assertion that somehow or another rural and regional Victoria was neglected by the former government. The perception out in the rural and regional community that that was so was aided and abetted by misleading statistics and information and the constant carping of the Labor Party. However, the Labor Party cannot get away with that forever. I sense that a turnaround is already coming. The electorate saw the Bracks Labor government come into office and gave it its goodwill, expecting to see some progress and action to build on the great legacy of the former government, but Victorians are beginning to lose confidence. What major project has been announced in the 15 months the Bracks government has been in office?

Hon. R. M. Hallam — That is a good question.

Hon. W. R. BAXTER — I cannot think of one, and nor can Mr Hallam. Victorians are in danger of a lethargy descending upon our state, with a resultant loss of confidence as people come to realise that the government is not about action at all but about talk, procrastination and dithering — a word used in the house yesterday. The more I think about it, the more appropriate the word becomes. The government is dithering. One thing that can be said about the former government is that it did not dither. Whatever else it might have done, it did not dither; it got on with the job and delivered benefits to the people of Victoria, and the state is the better for it.

In moving the motion Mr Birrell outlined the importance of work being done at the showgrounds and said the former government — the Liberal–National party government — had committed $50 million prior to the election for that work to be done. That was not a decision reached in haste in some pre-election hothouse atmosphere. It has been a tradition for many years for the Royal Agricultural Society of Victoria to invite the cabinet to lunch early in the week of the Royal Melbourne Show and to invite the opposition shadow ministers later in the week.

I well remember that when I attended that lunch the development of the showgrounds was a major topic of discussion. The then Minister for Agriculture, the former honourable member for Wimmera in another place, Mr Bill McGrath, was closely involved in negotiations with the Royal Agricultural Society of Victoria and a number of proposals were canvassed. Those negotiations were carried on by Mr McGrath's successor, Mr McNamara.

As the 1999 election approached, a good deal of the work had been done — plans had been put in place and concepts had been agreed on. That is why the coalition parties committed to the proposal last year.

All we heard from Mr Jennings were some airy-fairy remarks along the lines of, 'Oh yes, this is all good

stuff, but we are not really serious about it'. That was disappointing, and I do not think it will give any comfort to the members of the Royal Agricultural Society of Victoria. In some ways it might be better if the government voted against the motion and at least gave an indication of its true intentions. It goes without saying that the Melbourne showgrounds are a great asset to Victoria.

We should acknowledge the tremendous foresight of our ancestors in so wisely setting aside land that has served the state very well for a variety of community purposes, including the parks and gardens of Melbourne; the erection of great buildings in the city such as the Royal Exhibition Building and the museum; infrastructure developments; and the Royal Agricultural Show, run by that great community organisation, the Royal Agricultural Society of Victoria.

At the time Melbourne was a small city that was being built for the future. However, everyone will agree that the showgrounds have become a bit tired and are badly in need of refurbishment. That is understandable, because the role of the Royal Agricultural Society of Victoria has changed dramatically over a long time.

The society has a proud history. In the early days the Royal Agricultural Show was held not only to showcase Victoria's agricultural production but also for the valuable and important purpose of conveying information to farmers on improved farming practices and emerging scientific developments. Almost every farming family came to the Royal Agricultural Show to look at demonstrations of scientific developments, at the promotion of emerging ideas, and at better ways of breeding livestock and growing crops and the like.

Over the years that role has to an extent been usurped — although not intentionally — by the field days that are held around the state throughout the year. They are a better way of conveying information to farmers on new developments in scientific technology and the like because they are held in an environment in which there are fewer distractions. Field days have now become a showcase for those sorts of developments as well as for promotions of farm machinery and so on.

Now one sees very little, if any, farm machinery at the Royal Melbourne Show. I can recall going to the show as a schoolboy, where one would see acres of tractors, headers, harvesters, combine harvesters, spray machines and the works. In those days people living in Melbourne had, almost without exception, a connection with country Victoria. Family members — such as aunts, uncles, cousins or whoever — were on the land, and because of that interaction there was a closer connection between country people and city people. Melbourne was a less dominant part of the state than it is now and the population spread between the country and the city was more even. Melbourne was a meeting place for people from those two parts of Victoria. Country people would come down to see their city relatives and go to the show, so it was a family occasion.

That has now changed as the connection between city people and country people has weakened over time. Fewer city families now have a direct connection to farming families. I do not criticise or condemn that; it is just a fact of life, because the world has moved on. However, the Royal Melbourne Show can be a great opportunity to make city people more aware than they are now of the importance of agriculture to the economy of this state. Like it or not, Victoria's economy is still underpinned by agricultural production — and will be more so as manufacturing continues to decline. The restructuring of the manufacturing industry is continuing, with some firms going interstate and some coming in from overseas. We have almost gone full circle, because the state is again very much dependent on agricultural productivity for its economic wellbeing.

We are fortunate to live in what is probably the most fertile part of the Australian continent. We have extraordinarily productive land, whether it be irrigation areas such as those in the Goulburn and Murray valleys, which the Honourable Mrs Powell and I have the privilege to represent, or the farming land in Gippsland and western Victoria. Compared with 40 years ago, the extraordinary variety in production and the amount that can now be produced from a given area are a tribute not only to our farmers but also to the scientists and researchers who have given them the wherewithal to increase production at such a rate. It is absolutely amazing that farm productivity has increased at such a rate in the postwar years.

The Royal Melbourne Show provides a great opportunity to showcase that production and to give city people an understanding of the wealth created by primary producers. I dare say it plays a great role in educating city kids that milk does not come out of cartons and Weeties do not come out of cardboard packets but that both are derived from natural processes.

The Royal Melbourne Show can also be linked to animal welfare. One of the most popular exhibits at the show is the animal nursery for city children. I have listened to Dr Hugh Wirth and others rail against the cruelty to animals that occurs in the city. I refer to the

recent example of the mistreatment of dogs and to horses that are cooped up in paddocks on the outskirts of the city with very little feed. The show provides an opportunity to convey information on animal welfare to city people.

The Royal Melbourne Show has the ability to generate interaction between city and country communities, thereby drawing them together, and the redevelopment of the showgrounds would give the society a greater capacity to stage interactive exhibits.

One could say we are lucky that not a lot of money was spent on the showgrounds in the 1970s, because if there had been we would not be contemplating doing so now. Given that we are living in the computer age, we have an opportunity to create a world-class exhibition centre at the showgrounds that will not only showcase agriculture but also have the capacity for other uses throughout the year.

I have always had concerns about spending a lot of money on infrastructure which has a one-off use for a fortnight of the year but which for the rest of the year is largely vacant. The opportunity now exists to develop the Epsom Road site into an exhibition complex that can be used for much more than the annual Royal Melbourne Show.

I was delighted that the former government committed to it. I am disappointed that this government has not picked up where that government left off because as Mr Birrell rightly said the work could have been ongoing. It could have started six months ago and been completed in time for the 2001 Royal Agricultural Show. However, nothing has happened, and from what Mr Jennings said this morning nothing will happen for quite some time, if ever, out at that site. He gave no indication at all that the government intends to move on the project. He said only, 'Yes, it is a good idea, let's put it on the list'.

Similarly, he gave even less encouragement on the convention centre expansion. The worldwide conference market is there to be got. It has become a way of life for thousands of people in business and professional organisations to hold large international conferences. I have been to a few myself and by and large I find them to be very interesting, not only because of the opportunity to network but because of the educational aspects.

Most people who go to international conferences are big spenders in the local economy, whether directly through the conference itself — accommodation, meals and the like — or indirectly through what they do before and after the conference — tourism and purchasing goods. That applies particularly at the moment. The low value of the Australian dollar means purchasing clothes and other goods is a very economical prospect for many international visitors. International conferences should be encouraged more than is the case at present. Organisers of such events want high-quality facilities in places that are different, and Australia is seen as different on the world scene. The Olympics focused the eyes of the world on Australia, and provided that Melbourne can offer top-line facilities I see no reason why a succession of large international conferences on a whole range of disciplines would not come here.

However, it cannot be done unless Melbourne can compete with other cities that have seen the opportunity as an economic driver and have been prepared to build the facilities that allow conferences to take place virtually completely at one venue without the need to transport delegates higgledy-piggledy all over the place to various smaller second-rate facilities.

I pay tribute to the former Labor government, and particularly to one of its ministers, the Honourable Evan Walker, for their commitment to Southbank. That has been a winner. The former government built on that success and that part of the Yarra River has in my lifetime turned from an industrial eyesore into one of the most attractive waterfront precincts one could imagine. The Docklands development will further enhance the area. Why not capitalise on the potential and make the necessary investment so that the state can go out into the world conference market with a brochure and the appropriate credentials and demonstrate to the decision makers and opinion formers that Melbourne is the place to hold an international conference? There are plenty of statistics to demonstrate that conferences generate a huge spin-off for the local economy.

On a more local note, I am involved in getting conferences to Albury-Wodonga through the organisation known as Investment Albury Wodonga. That body has compiled some very compelling statistics to show that a large conference coming into a city generates economic activity well beyond whatever local investment is necessary in the first instance.

There is again an opportunity going begging, yet this morning Mr Jennings gave honourable members absolutely no encouragement that the government is even thinking about it, let alone being serious about it.

The motion is appropriate. I wish the Labor government was supporting the motion more seriously

instead of endeavouring to push it off to the side and saying, 'Yes, we support it. But it's away in the wild blue yonder'.

Hon. B. C. BOARDMAN (Chelsea) — Victorians would be within their rights in being highly suspicious about and confused by the misleading and almost predictable contribution by the lead speaker of the government, the Honourable Gavin Jennings. It is becoming commonplace that when on Wednesday mornings the opposition moves substantive motions that back firm and demonstrable benefits for the community Mr Jennings as the lead speaker for the government is more interested in pedantically debating the ethics of the motion than in discussing what the motion is trying to achieve. He has yet again used this opportunity to demonstrate his complete and utter lack of understanding and appreciation of micro-economic policy in Victoria. He is more interested in being pedantic and discussing and defining the issues and the philosophy behind them while putting a spin on what opposition members have canvassed.

Bearing that in mind it is then surprising that he welcomes and supports the opposition's motion. However, one has to treat that acknowledgment of the motion with some caution because as lead speaker for the government he would be expected to do at least some minimal research and to grasp what the opposition motion is about. Unfortunately by his own admission he has little experience of the exhibition centre. A substantial part of the motion concerns the benefits a proposed 5000-seat plenary hall and an expansion of the Melbourne Exhibition and Convention Centre would bring to the Victorian economy and it would therefore make commonsense for the government to provide facts to the house on why it supports the motion and how it says its policy of doing so will benefit the community.

Because that has not been forthcoming the responsibility for developing policy for the state on the issue falls to the opposition, as has happened on many other micro-economic issues. Although the opposition does not have the luxury of being in government it is now its responsibility to try to improve the Victorian economy by promoting and discussing such valuable projects.

I am not sure whether government members are aware that the meetings, incentives, conventions and exhibition industry, or the MICE market, as it is known, is worth about $7 billion to Australia, and in excess of $1 billion of that money flows to Victoria alone. More than 12 million delegates attend Australia-wide conventions, marketing incentives and exhibitions. Unfortunately at this stage only about 3 per cent of them come from overseas, yet because of their relative expenditure levels and the yield to the state from their attendance at exhibitions and conventions, the value of overseas visitors cannot be underestimated. In fact, the average expenditure per delegate is around $529.

To give the house a breakdown of that figure, as Mr Baxter so knowledgeably did in his contribution, it includes not only the costs of the exhibition itself in meals and accommodation, but also flow-on effects such as spending on organised tours, entertainment, shopping, vehicle rental, meals, and taxis and other transportation costs. Those expenditures are as valuable as the expenditure on providing the exhibition or convention.

Research conducted by the Melbourne Convention and Marketing Bureau shows that international delegates spend $4 to every $1 spent by interstate or intrastate delegates at conferences. That makes sense because international delegates like to stay a bit longer and get maximum benefit from their trip. If they are visiting a place for the first time they like to see some of the sights and familiarise themselves with the city or area. That fact cannot be underestimated. The potential to showcase a city and the investment and economic potential of a location and a region is very well understood. Delegates seeing a place first-hand by way of attending a convention and looking at the facilities, infrastructure and the potential of the region creates a degree of optimism and expectation that investment may flow on from those types of industries.

In its summary the Melbourne Convention and Marketing Bureau said that:

> … local businesses in the retail, transport, restaurant and accommodation sectors already benefit considerably from the Australian meeting sector.

The government did not mention that. These are the very same businesses and people that through its propaganda-type policies this government has promised to govern for, but they have been neglected in the government's contribution to this motion.

The government should be aware of and use an opportunity like this to publicise the fact that 85 000 people are employed nationally in this industry. That is the level of direct employment in the marketing incentives and convention industry. Of those people, 55 000 are employed full time. Unfortunately these are Australia-wide figures and some calculations need to be done to work out Victorian figures, but it appears that more than 12 000 Victorians are employed directly in this industry in a full-time capacity. There was no

mention of that from Mr Jennings in support of the people who work in this particular industry.

It is estimated that for every 100 people employed directly there is an additional flow-on effect of 45 indirect employment positions. Therefore, although there are only 12 000 people employed directly in Victoria, we could easily assume that many thousands of others are employed indirectly as a result of this important and expanding industry sector.

On 19 August 1999 the former Minister for Tourism, Louise Asher, issued a press release on this matter. It was headed 'Melbourne attracts record number of conventions' and said that 192 066 room accommodation nights were generated from 48 conventions which pumped an additional $87 million into the Victorian economy. I am sure honourable members would acknowledge that these are very impressive figures. The press release also said that the International Convention and Congress Association had tipped that in 2000 Melbourne would become the world's second busiest convention destination, a leap from 19th position in 1997 when it was previously assessed. The estimates and advice I have received recently indicate that that achievement is well and truly within our grasp.

In addition, the Melbourne Convention and Marketing Bureau has estimated that when we come to the end of the 2000 calendar year, more than 289 000 room nights will have been captured contributing an additional $110 million to the Victorian economy and a 98 per cent increase in flow-on effects and benefits in incentive marketing as a result of the strategic investment program to capture these events. There was no mention from the government of how important this is.

The chief executive officer of the Melbourne Convention and Marketing Bureau, Mr Grimmer, was quoted last year as saying:

> While the Olympics has generated enormous interest in Australia, Melbourne has the advantage of some major city infrastructure projects coming on stream over the next few years, and importantly, a vibrant city centre, open seven days a week, attracting a strong local market …

Mr Grimmer was later cautious about the issue because he understands the competitive advantages and disadvantages of Melbourne in comparison to the national and international competitors referred to by my colleague, Mr Birrell. Mr Grimmer estimated that over the next three years 220 events have been earmarked for Melbourne.

Research has been done on the accuracy of the economic figures and it seems that although the average is $539 nationally, Melbourne seems to do a bit better because it tends to market the city more accurately and appropriately to visitors. International delegates are spending an average of $3305 during their time here, with the average spending by all delegates of $1997 over what is considered to be an average two to three-day conference.

A key point of this policy and a key issue which the government needs to take strong note of is the fact that 89 per cent of people who attend conventions in Melbourne use that convention as their first visit to the city. Those people have not had the opportunity of visiting Melbourne previously. They attend a convention, they invest in the local economy by way of add-ons and they are subsequently exposed to a terrific investment and economic product which will, it is hoped, lead to additional economic activity. This is an important issue, yet the government does not seem to take on board just how important it is.

The research shows that 13 per cent of Victoria's international visitors come for a convention or conference; 13 per cent of our total tourism market is related to this issue. However, we must be very conscious of what is happening internationally and interstate. Honourable members who attended the Sydney Olympics would realise that the New South Wales government, which has demonstrated strong leadership on this issue, has made a strategic decision to use the Homebush facility not simply for sporting events but to create an integrated facility to encapsulate some of these market issues.

This is where Melbourne is at a slight disadvantage. We have the Melbourne Exhibition and Convention Centre, an exemplary facility which provides unlimited opportunities but one which has some drawbacks. Those drawbacks were highlighted in a report from the Tourism Forecasting Council titled 'Measuring MICE industry infrastructure'. On the first page the report states:

> In view of the recorded and anticipated growth in the meetings, incentives, conventions and exhibitions (MICE) market there is some concern within the industry about the adequacy of MICE infrastructure both now and in the future.

The report goes on to talk about venues and makes it quite clear that:

> … business is currently being turned away due to capacity constraints in Melbourne and Sydney;

We are losing business. It is estimated that Melbourne is losing 72 events, 290 000 delegates and more than

$1 million in potential investment and delegate-based expenditure every year because our facilities are simply not big enough. They are not able to cope with the increased international demand.

I will make a quick comparison between Melbourne's facilities and what our interstate competitors have. Melbourne's main drawcard is the Melbourne Exhibition and Convention Centre, the largest facility of its type in the southern hemisphere and a world-class centre which provides an excellent location for hosting world-class events. Sydney has the Sydney Convention and Exhibition Centre and the Royal Agricultural Society Sydney Showgrounds which have been incorporated into the Homebush Bay precinct, a brand new facility which is stealing a little bit of Melbourne's thunder.

The industry talks about theatre, banquet and cocktail-style space. This is the type of terminology used by the industry in trying to attract these events. The banquet-style space is a particularly keen issue because every convention will have a banquet, dinner or some form of incentive for delegates to celebrate the convention or whatever it is. The maximum banquet-style capacity of the Sydney showgrounds is 3500 while the World Congress Centre, as it is described here, holds only 2300. We are at a disadvantage purely on the numbers.

The plenary hall which has been mentioned for the Melbourne Exhibition and Convention Centre is a case in point. At the moment the John Batman Theatre attached to the Melbourne Exhibition and Convention Centre seats only 1200 people and there needs to be an expansion on to the floor of the theatre for additional seating. That is a marketing drawback. The Royal Agricultural Society Sydney Showgrounds in Homebush Bay has the capacity for 3000 people in a theatre-type environment all on the one site in an integrated facility. That provides it with a definite marketing advantage over Melbourne.

Similarly, the Brisbane convention and exhibition centre has been mooted as a competitor for Melbourne; it can accommodate 4000 people seated theatre style. An integral part of the product or marketing of a major exhibition or convention is for the delegates to assemble in one facility to hear and learn about and participate in whatever product and marketing opportunities are offered by the convention. Yet, simply by sheer size Victoria's facilities vis-a-vis its competitors place it at a disadvantage.

In the foreword to the 1999–2000 annual report, Robert Annells, the chairman of the Melbourne Convention and Exhibition Trust, states:

> The year 2000–01 is expected to be another record year in terms of events and will continue the pattern of growth over the last few years. Subsequent years will be challenging as competitors continuously reposition and expand their infrastructure. It is essential that the centre's facilities, both convention and exhibition, be upgraded over the next five years to ensure Melbourne can continue to meet this competition.

The trust administers the main facilities in the industry sector, yet Mr Jennings did not acknowledge — although he provided lukewarm support for the motion — the concerns of the trust chairman that Melbourne may be competitively disadvantaged because the government has not provided leadership or allocated the necessary additional support and resources to see the completion of the project finally come to fruition.

I am encouraged because through its internal leadership, its own resourcing and forecasting, and the vital role it plays in micro-economic policy in Victoria, the trust has embarked through self-funded activities on a $6 million upgrade of the Melbourne Convention and Exhibition Centre. I understand John Holland Construction and Engineering has been awarded the tender following a tendering process and I am pleased that upgrade works will commence on about 19 December. Yet again, that motivation clearly needed to be led by the trust.

As recently as last week the house debated amendments to the Project Development and Construction Management Act. It would have been appropriate or opportune during that lengthy debate for the government to forecast some of the proposed projects and benefits that are likely to result from that legislative change — but no comment was made. During the debate on that bill the government criticised the former government's policies. It is obviously confused about funding regimes and it does not understand how one particular project could have demonstrable flow-on benefits if it is implemented and led at the government level.

It is disappointing that the government has not used debate on the non-political motion which is aimed at benefiting Victoria to showcase the best Victoria can offer. Unfortunately, the state is being disadvantaged by the success of its interstate and international competitors. Unless the government demonstrates keen leadership, shows motivation and grasps an understanding of the importance of the issues, Victoria will go from clearly being on the move and being the

pacesetter in Australia to going backwards and becoming the economic joke it was during the 1980s.

I urge honourable members not only to support the motion but to become strong advocates for the intention of the motion. It is framed so that Victorians will understand that conventions and exhibitions are not about constructing buildings or putting the names of dignitaries on plaques on infrastructure developments but about developing opportunities to ensure that we, as a Parliament and as a community, can show the world how good Victoria is.

Hon. G. D. ROMANES (Melbourne) — I suggest that the reason the house is today debating an opposition motion about the Melbourne showgrounds and the Melbourne Exhibition and Convention Centre lies very much in the fact that the government is now in the process of considering those same two projects. The opposition has obviously been reading the daily newspapers, particularly the business section of the *Age*, in which an article by Peter Semple appeared on 22 November. Under the heading 'Plenary hall for conventions closer to realisation', he states:

> A decision on the construction of a $100-$200 million plenary hall for Melbourne could be made by early next year if discussions between Melbourne's convention, exhibition, and tourism industries and the state government are fruitful.
>
> Plans for a plenary hall … have been around for some time. The former … government agreed to the need …

The implication is that the former government did nothing about it. The article also quotes Robert Annells, the chairman of the Melbourne Convention and Exhibition Centre Trust which manages the facilities on behalf of the government, as having said:

> … the state government had been supportive but needed further information before making any commitment.

I remind the house that discussions are continuing between the Melbourne Convention and Exhibition Centre Trust and the government about the importance of the convention industry to the state as well as about proposals for ensuring convention delegates continue to visit Victoria so that, as happened this year, Victoria retains its position as at least the second-busiest convention state in the world.

The other matter the subject of the motion is the Melbourne showgrounds. I shall put that matter into context. In 1994, at the time of council amalgamations, the showgrounds area was incorporated into the City of Melbourne. It was understood that the Kennett government had major plans for the showgrounds, but five years later, in the *Age* of 16 September 1999, an article by Gabrielle Costa discloses that while negotiations had taken place for five years, firm plans were not in place. However, election-eve pork-barrelling occurred with a commitment of $50 million to deal with the dilapidated state of many of the showgrounds' facilities. In his contribution to the debate Mr Jennings said that a couple of days before last year's election, $50 million was committed by the former government for the redevelopment of the showgrounds but that the Bracks government inherited nothing in the former government's forward estimates. It was a token commitment and no real work was done by the former government on the project and no guaranteed funding was in place for the refurbishment of the showgrounds.

The Bracks government is consulting with and encouraging the Royal Agricultural Society of Victoria to work with consultants on proposals for the future of the showgrounds. The RAS is being encouraged to examine realistic and financially viable proposals that will not cost only $50 million but will run to $150 million to $200 million. Work is still to be done but is continuing on the project.

The Leader of the Opposition would have the government give blanket support to the projects at this point. He expects the government to pluck funds out of the air. The government is wary of taking such advice from a minister in the former government because it has inherited a range of projects such as the new Museum of Victoria and Federation Square.

The cost overruns have been enormous — $41 million on the museum project and 12 months delay in completion; and $155 million on the Federation Square project, where costs rose from $128 million to $337 million — a sum equivalent to five State Netball and Hockey Centres, more than two Vodaphone arenas, half of the new Museum of Victoria and the entire redevelopment cost of the National Gallery of Victoria.

Honourable members interjecting.

The DEPUTY PRESIDENT — Order! There will be some order in the chamber!

Hon. G. D. ROMANES — Minister Pandazopoulos has been criticised for not going out and announcing projects hither and thither. Had he $155 million to spend, he and other ministers would have had plenty more opportunities to announce extra projects.

Mr Birrell also suggested — I agree with him — that Victorians want to see their dollars spent productively and wisely. In its attention to infrastructure and asset commitments, the Bracks government is looking to be financially responsible and to measure the economic

benefits of those investments for Victorians, therefore it will make commitments only after each project has been thoroughly examined.

Mention was made of the need for a rescue package for the showgrounds. Huge amounts from the public purse cannot be allocated for rescue packages. Allocations must be made after considering realistic, viable projects that will in the future bring economic benefits to Victoria.

The government is developing its overall infrastructure investments. It has increased infrastructure funding by 20 per cent through its Growing Victoria program and has launched its Partnerships program in conjunction with the private sector. It has committed to a range of public sector asset developments — hospitals, schools and rail — over the next few years that will see the public sector asset program grow from $1.1 billion to $1.9 billion in the next three years. It has allocated $2 billion for Linking Victoria and $170 million for the Regional Infrastructure Development Fund. However, there will be no implementation of the range of projects proposed without proper assessment of each one to make sure there will not be cost overruns of the sort it inherited from projects of the previous government.

The government supports the motion. However, it is important to note that the previous government did no real work on either of these projects, and it behoves the Labor government to look at realistic costings for both of them. The government has already begun the task of working with both the Royal Agricultural Society of Victoria and the Melbourne Exhibition and Convention Centre Trust to look at the potential for the two projects.

Hon. W. I. SMITH (Silvan) — I support the motion, which deals with the redevelopment of the Melbourne showgrounds and the expansion of the Melbourne Exhibition and Convention Centre. There is no doubt the two projects need to be supported, particularly the Melbourne showgrounds upgrade, which is urgently needed. If it is to attract our youth, information technology facilities and a whole range of other new technologies must be installed, which the showgrounds administration acknowledges.

I will talk about the need to expand the Melbourne Exhibition and Convention Centre. Victoria's economic and employment growth is linked to the provision of good infrastructure. In 1992 the Kennett government acknowledged that with the introduction of its Agenda 21 program. The new exhibition centre was an important part of that program. It brings tourism dollars and trade into Victoria. There is no doubt about the need to continue that growth and to extend the exhibition centre.

Mention has been made today of the number of trade shows in Melbourne and the fact that the new infrastructure has increased the money that comes into Victoria. Trade shows are a multimillion-dollar industry, and Victoria certainly gets a much larger proportion of the shows than it used to. Victoria is acknowledged as being a leader in this region.

I will refer to some of the calls for the needed expansion. *Business Asia* of 31 March states:

> Melbourne is taking on Singapore and Hong Kong as one of Asia's leading conference and convention destinations, with a leading analyst forecasting significantly more meetings in the Victorian capital than in either of the Asian giants in 2000.

There is no doubt that we need to increase that competitive edge and expand the facility in order to remain at the forefront of infrastructure development in Australia.

On the issue of tourism, in the *Age* of 11 June Philip Hopkins called for a 5000-seat city venue:

> Melbourne's key marketing body has called for the construction of a large-capacity conference centre to expand the city's $1 billion dollar conventions market.

Briefly, the chief executive of the Melbourne Convention and Marketing Bureau, Gary Grimmer, said that a hall that seated 5000 people was essential for Melbourne to build on its success as a major international location for conventions.

Much work has been done. A study at the time clearly listed the people coming to Melbourne and the money being spent. That money is also going to regional Victoria because people are adding on. Conventions also bring visitors to regional Victoria, with 41 per cent of respondents in the study indicating they had visited or were going to visit locations in regional Victoria including Phillip Island, Ballarat, the Dandenong Ranges, the Great Ocean Road, the Grampians National Park and the Yarra Valley.

I conclude by saying that the industry is an international one. Victoria is competing with major cities in the region such as Singapore. If it is to compete and maintain its lead, Victoria must expand its facilities. I therefore support the motion and call upon the government, which says it also supports the motion, to put some money where its mouth is.

Motion agreed to.

LIQUOR: LICENCES

Debate resumed from 6 September; motion of Hon. BILL FORWOOD (Templestowe):

> That this house calls on the Minister for Small Business to immediately take all necessary steps to fulfil the Labor Party's election commitment, contained in its small business policy document 'Taking care of small business', that the Bracks Labor government would close legislative loopholes which allow large retail chains to accumulate more than 8 per cent of the total number of packaged liquor licences.

and Hon. M. R. THOMSON's amendment:

> That all the words after 'house' be omitted with the view of inserting in place thereof 'congratulates the government on releasing the review of the 8 per cent limit on packaged liquor licences in light of its requirements to satisfy the National Competition Council that maintaining an 8 per cent limit would not run counter to competition policy, and also notes that in meeting this election commitment the government will consult widely with the industry'.

Order of the day discharged on motion of Hon. BILL FORWOOD (Templestowe).

GAS INDUSTRY ACTS (AMENDMENT) BILL

Second reading

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

Hon. PHILIP DAVIS (Gippsland) — The opposition will not delay the passage of the Gas Industry Acts (Amendment) Bill. In making some general observations on the bill, I refer first to the various legislative proposals that come before the Parliament. Although I know that the minister and some government members take a keen interest, as does the opposition, I suspect members of the community are generally disinterested in matters affecting the regulation of the energy industry and only take an interest when matters directly affect them — that is, when they receive their quarterly invoice for their energy charges, whether for the consumption of gas or electricity, or perhaps when they read in the papers or see on television an incident that affects the community in some way.

I refer to the current difficulties in the Gippsland region as a result of an incident involving the breaching by some earthmoving equipment of the main liquefied petroleum gas (LPG) pipeline from the Esso BHP facilities at Longford to Long Island Point. Obviously that earthmoving equipment was operating without any reference to where the pipeline was buried.

That incident is topical today because it has been in the news since the breach occurred last Friday. It is important that the community takes an interest in those issues because if one were to think about the implications of that breach today, which is some five days since the breach occurred, the breach has not been repaired and as a result there is no flow of LPG from the oilfields to Long Island Point. Consequently, the onshore processing facilities handling crude stabilisation and gas production for the state have impacted on the operating capacity of the Esso Longford plant. The net result is that crude production is down to less than a third of its scheduled production.

That has serious implications not just for the shareholders of Esso, but particularly for all Victorians, indeed Australians, in the resulting reduction in the capacity of the economy to deal with what is an important issue for the time, global energy markets being at a premium and given the constraints on the oil production of the Organisation of Petroleum Exporting Countries.

Those comments are a little to the side of the bill but they have put into context the legislation that is before the Parliament regularly, which is important to the framework under which our energy markets operate. However, they do not attract a great deal of community scrutiny and are scrutinised only by parliamentarians.

In part the bill deals with safety issues and especially refers to LPG in its liquid form. It is important to clearly integrate into the regulatory framework for gas safety the recognition that gas, whether it is natural gas or liquefied petroleum gas, is an important part of the energy market and for community and industrial safety reasons there needs to be a proper framework to deal with that.

The bill provides for the scheduled introduction of full retail contestability in the gas market on 1 September 2001, introduces consumer protection mechanisms and creates a reserved pricing power to protect consumers while competition in gas retailing is developing. Those provisions are similar to those that exist in the Electricity Industry Act and reflect amendments that were introduced in the autumn session of Parliament. The bill also makes miscellaneous amendments to the Gas Safety Act relating to the safety and efficiency of gas appliances and protecting gas pipelines and installations from interference and damage.

On the basis that the legislation deals with the progressive introduction of contestability, the Liberal Party is generally in support of the direction of the bill. It should be acknowledged that there has been, in terms

of the scheduled introduction of contestability, a deferment of one of the tranches for the introduction of retail competition. That has been explained by the government in terms of metering issues and the cost efficiency of dealing with that. It is not an unreasonable proposal, but slippage is occurring both in contestability in the electricity industry and in gas, and they are not good signals to be sending in terms of the objective of all customers being given the full benefit of competition to enhance their economic and service positions.

I was thinking earlier today about how people focus on utility services differently, but particularly on how seldom they are considered unless people are directly affected. I live in both rural and urban environments and my experience is that there are regular interruptions to services in remote areas. When one lives at the end of an electricity line, such as in a farming district, one can experience regular interruptions to supply because of the inevitability of the difficulty of maintaining service. A lower standard of telecommunications services is often experienced by someone because they live at the end of a long set of wires.

Those are not difficulties experienced by people who live in an urban environment. Generally, interruptions to reticulated gas supplies are not experienced by those who live in urban areas, apart from the consequences of the disaster at the Longford processing plant in 1998 which affected nearly all Victorians.

People do not focus on security of supply when they live in urban areas, where the reticulation of gas is reliable; instead, they look for other benefits. Energy reform has led to price benefits. In the five years from July 1996 to January 2000 the average price of gas for households fell in real terms by 6.1 per cent. For average small businesses the price of gas has decreased by 18.5 per cent in real terms over the same period.

The important issue of pricing is one of the reasons for moving to full retail contestability. It will generate market pressure to deliver economic benefits through the development of the gas industry. It will also provide incentives for investment and, at the retail level, ensure pressures on pricing through competition.

As I said, the bill amends the Victorian gas market contestability timetable for the small commercial end of the market. It was intended that customers in the 5000 to 10 000-gigajoule range, which has a market segment of about 600 customers, would have access to contestability from 1 September this year, but that has been deferred. The roll-out out for the approximately 35 customers such as paper mills and brick manufacturers that use more than 500 000 gigajoules per annum — about 24 per cent of the cumulative market share — occurred on 1 October 1990; the roll-out for the approximately 110 customers such as hospitals and hotels that use more than 100 000 gigajoules per annum — about 37 per cent of the cumulative market share — occurred on 1 March 2000; and the roll-out for the approximately 600 customers such as large commercial enterprises that use more than 10 000 gigajoules per annum — about 45 per cent of the cumulative market share — occurred on 1 September 2000. Full contestability for approximately 1 400 000 retail customers will occur on 1 September 2001. At least we can look forward to the target!

The bill provides for the inevitability of the translation to a competitive market. As mentioned earlier, the bill contains a reserve power that will operate in the same way as the equivalent power in the electricity industry. The proposal is to implement a consumer safety net arrangement that sunsets on 31 August 2004. The government is progressing the implementation of a project initiated by the former Kennett government that, in the long run, will deliver significant benefits to all consumers.

Although it is of only passing interest to the general community that the legislation is being debated in this place, the Victorian economy will be better for the process. Nonetheless, it is important to ensure the delivery of real price outcomes so that in the long-term a privately structured industry has the capacity to raise capital to invest in additional services for customers.

The opposition does not oppose the bill. I look forward to other honourable members contributing to the debate.

Hon. P. R. HALL (Gippsland) — The National Party will not oppose the Gas Industry Acts (Amendment) Bill. The amendments in the bill can be put into three main categories — further steps towards full retail competition within the gas industry; commitments that the government calls safety net provisions; and gas safety.

As with the electricity industry, the move to full retail competition in the gas industry gives rise to an extraordinary number of complex issues that for the layperson are difficult to understand. Given that, I will look at the structure of the gas industry and put into context the changes already made and the amendments in the bill.

As I am sure most honourable members will recall, in July 1997 the former Gas and Fuel Corporation was

disaggregated into three gas distribution companies and related gas retail outlets and then sold to private industry.

With those changes came the establishment of the Office of the Regulator-General, which played an important role in overseeing both the electricity and gas industries. The Office of the Regulator-General regulates distributors' prices and service standards and manages licensing arrangements for the distribution and sale of gas and electricity in Victoria. The Regulator-General also plays a role in regulating retailers' customer service standards, servicing franchise customers — those who are unable to choose their retailers — and licensing new entries to the contestable retail market.

The gas industry can be broken down to four sectors — production, transmission, distribution and retailing. Approximately 98 per cent of the production is supplied by the BHP–Esso consortium from its Longford processing plant in Gippsland. The transmission sector is separate from the distribution sector. The gas is transmitted from the processing plant at Longford to the outskirts of Melbourne and other major centres by a pipeline grid largely owned by GPU International. The transmission functions are overseen by the Australian Competition and Consumer Commission.

The distribution and retail sectors have been separate since 1997. The three major distribution gas companies are United Energy, Envestra and TXU Networks. Each of those companies has various geographical areas it distributes to. The retailing of gas is now undertaken by three companies — TXU Retail, Origin Energy and Ikon Energy. Those retailers maintain the face-to-face contact with members of the public as suppliers of gas products.

During that process a timetable progressively moved different levels of customers into what is termed the contestable market — that is, where one has the ability to choose one's gas supplier. The timetable was staged so that on 1 October 1999 customers who used more than 500 000 gigajoules of gas per year became contestable; on 1 March this year those who used more than 100 000 gigajoules per year became contestable; and on 1 September those who used more than 10 000 gigajoules per year became contestable. That is the current timetable. It is therefore relevant now to look at the first major area of the bill that will bring about further retail contestability.

As I stated previously, customers using more than 100 000 gigajoules of gas per year already have a choice of which gas retailer they want to supply their gas. From 1 September customers using 5000 gigajoules were to become contestable under the original timetable. However, clause 4 of the bill changes that to customers using more than 10 000 gigajoules per year. There has been a retrospective deferral of customer contestability. The reasons are outlined in the minister's second-reading speech, which advises that contestability of customers using more than 5000 gigajoules will be introduced on 1 September 2001, a further 12 months on.

The second-reading speech also advises that the reason for the partial deferral is the need to develop appropriate metering infrastructure that is available at reasonable cost to users of that amount of gas. As I have said previously, it is a complex industry, and for people to be able to choose and change suppliers of gas an appropriate metering infrastructure needs to be in place, and that can be a costly exercise. I hope metering technology becomes available by September 2001 so that smaller customers can become contestable and elect to choose their gas retailers, because there is ample evidence that full retail contestability will bring significant benefits to customers.

Some of the benefits have already been outlined by previous speakers. They were mentioned in the Office of the Regulator-General's *Gas Industry Comparative Performance Report 1999*, which states that the average price of gas to households fell in real terms by 6.1 per cent between July 1996 and January 2000, and for average small businesses the price of gas fell in real terms by 18.5 per cent during the same period. Those figures relate to the franchised customers, not the contestable customers. Although the data is not available, I believe the contestable customers gained an even greater benefit from further significant reductions in the prices they paid for gas.

It is also important to put on the record that the real decrease in prices for gas during that period resulted from legislation put in place by the former coalition government, which required real price reductions in gas by the consumer price index minus a certain percentage. That has led to reductions in gas prices for franchised customers. The structural change has been good news for users of natural gas throughout Victoria.

I will stray from the bill at this point to remind honourable members that unfortunately those real price decreases have not been shared by all Victorians, because a significant number do not have access to the natural gas network. Many people in rural areas of Victoria still rely on bottled gas. In the past 18 months the price of bottled gas has risen from approximately $40 a bottle to $70 a bottle. So when one talks about the

good news in the gas industry it is important to remember that we are talking only about the reticulated natural gas industry, and that a significant number of Victorians pay far more than most people for an essential service like gas.

Hon. T. C. Theophanous — Why do you think that is?

Hon. P. R. HALL — A whole range of factors, Mr Theophanous, not the least being world market prices for gas and petroleum products. It is a significant cost for many people in rural Victoria.

The second major area of the bill deals with the safety net provisions as the state moves to full retail competition. Clause 7 provides a reserve power for the government to regulate retail prices. To understand the reason for the government wishing to retain that reserve power to regulate retail prices, one can turn to the minister's second-reading speech, which suggests, 'If you want to know the rationale for this, please refer to the second-reading speech of the Electricity Industry Acts (Amendment) Act'. So back I trekked through *Hansard* to 4 May this year to try to understand the rationale for the need to have a reserve power for the government to regulate retail prices.

I make the point that it is hardly good enough for a second-reading speech to refer someone back to another second-reading speech delivered some six months previously. As a common courtesy not only to the Parliament but to members of the public who want to understand what a bill is about, I believe a couple of paragraphs to explain the rationale for the retention of the reserve power is more than justified in a second-reading speech. I advise the government that all Victorians would be better informed if issues were fully explained in the second-reading speech, and people were not referred elsewhere to discover such information.

Clause 9 deals with safety net provisions. Proposed new section 48F(4)(ca) states that the requirements will include:

> requiring a gas retailer to inform customers from time to time of the arrangements in place or proposed to be in place to allow them to elect to become a customer of another gas retailer …

Proposed new section 48F(4)(ma) states:

> subject to section 48TAA, requiring a gas retailer to enter into an agreement with the State for the provision of community services …

As well as a reserve power to regulate retail prices for customers who are not yet in the contestable market, other measures in the bill will assist people to move smoothly into the area of full contestability.

Part 3 of the bill amends the Gas Safety Act. Important issues are raised and, as the Honourable Philip Davis said, the importance of gas safety was highlighted just last Friday when a break occurred in the LPG line between Gippsland and Melbourne. The reasons for the break are unclear and are still being investigated. However, I understand machinery working in proximity to the pipeline caused the rupture. The incident again highlights the importance of gas safety, both with regard to transmission lines and also when used in homes and businesses.

Clause 17 gives a new objective to the Office of Gas Safety, and the National Party supports that objective. Proposed section 10(d) states:

> … to promote awareness of energy efficiency through energy efficiency labelling of gas installations, appliances and components and energy efficiency regulation of gas installations, appliances and components …

That important new objective of the Office of Gas Safety is to promote awareness of energy efficiency within the gas industry.

Clause 18 deals with a whole set of new functions for the Office of Gas Safety, and again the National Party believes those amendments to the Gas Safety Act are appropriate.

I raise an issue regarding clause 29, which deals with further offences relating to gas safety. Clause 29 substitutes proposed new section 79C, which is headed 'Interference with transmission pipelines'. Proposed new subsection (1) states in part:

> A person must not carry out any excavation or boring or open any ground within 3 metres of a transmission pipeline unless …

I will not read the rest. Basically the proposed new section provides that a person must have the authority of the gas company or the owner of the transmission line. It also provides that that permission is not required if the excavation of the ground is to a depth of not more than 300 millimetres into that land. That means that a person who owns property that is crossed by a gas transmission line may still, for example, plough the field and carry out normal farming operations.

Duke Energy International raised concerns with me about the clause. I refer to a letter of 7 November that I received from the company. It talks about the intent of

the legislation, which I have just summarised in referring to that clause. Under the subheading 'Duke's concerns' the letter states:

> The legislation will override the effectiveness of these easements —

the company currently has an easement on 97 per cent of the route of the eastern gas pipeline which runs from Longford to Sydney where it crosses private property, although there is no easement where it crosses roads or rivers —

> which have been traditionally used as the means of protecting pipelines from third party interference. In the case of our eastern gas pipeline (EGP) (a 795-kilometre natural gas transmission pipeline from Longford in the state's south-east to Sydney) over 97 per cent of the pipeline route will be covered by easements which are mostly 20 metres wide. Under these easements, no activity involving the digging of the land can be carried out without the prior consent of the pipeline operator. The proposed legislation will make these provisions in the easements redundant.

The letter further elaborates on the company's concerns, stating that the establishment of easements is an important safety measure. Although it is also a costly measure it clearly defines to land-holders what their rights and obligations are. If those conditions are compromised people will be less likely to abide by them in respect of easements on their properties.

In its letter the company suggests a way forward and states:

> The adverse consequences of the legislation could easily be overcome by it being amended to recognise the existence of easements, just as is done under AS 2885.

The company there refers to an Australian standard for gas pipelines. The letter goes on:

> The creation of two limbs — requiring the public to comply with easements where they exist but where there is no easement, to adopt the fall back position set out in AS 2885 — would satisfactorily address our concerns.

I concede that AS 2885 is predominantly the same as the conditions provided in this clause — that is, an easement of 6 metres in width. I raised the issue with the government. The response was that legal advice suggests that the binding legal easement agreement the company has with each of the land-holders will override any amendment to the act, so those agreements will fully protect its rights. However, I contend that if land-holders who have easements on their properties learn that others can dig within 6 metres of a pipeline they might mount an argument that their 20-metre-wide easement is not appropriate. The fact that some transmission lines have easements that are wider than those suggested in the bill could cause some conflict in respect of advice or knowledge on the issue. I accept that legally the conditions on the company's easements still apply but it might be interesting if in the future someone wishes to challenge that.

In conclusion, I repeat that although the National Party will not be opposing the bill it maintains a keen interest in the contestable market for both electricity and gas. It is something we in the National Party will continue to watch and take an interest in as more and more people become eligible to enter the market. We will also be urging gas retailers to extend their natural gas transmission lines further to currently unserviced parts of country Victoria. As I said previously, we do not all have the benefit of the use of natural gas, which is a relatively cheap energy source provided in a contestable market. The National Party is concerned that many people in country Victoria face significant costs for the provision of bottled gas and hopes the government is also concerned about it.

With those remarks, I again reiterate that the National Party will not be opposing the bill.

Hon. T. C. THEOPHANOUS (Jika Jika) — I support this important legislation, which will ensure a smooth transition for the gas industry and facilitate the introduction of full retail contestability. The bill amends the Gas Industry Act to make that possible. The current date for the commencement of fuel retail contestability is 1 September 2001. The bill also amends the Gas Safety Act to improve its operation.

Before I comment on specific clauses, I want to make some general points about the industry and take up some of the issues that the Honourable Peter Hall raised.

The Gas and Fuel Corporation, which is the predecessor of the now privatised gas bodies in the state, was developed under successive Labor and Liberal governments. In a great number of respects it was an outcome of the policies pursued by former Premier Sir Henry Bolte. Not only was he opposed to the privatisation of the gas industry but he did the reverse and brought the gas industry throughout Victoria under one organisation — the Gas and Fuel Corporation. The biggest of the amalgamations involved bringing in under that umbrella the Colonial Gas Company and creating the Gas and Fuel Corporation.

Subsequently the corporation was a strong organisation in a corporate sense during the entire period of the former Cain and Kirner Labor governments. It not only serviced any debt it might have had but also produced a

healthy dividend. That dividend was paid to the government on an annual basis and, depending on which part of the dividend you looked at, amounted to several hundred millions of dollars each year. It was a healthy business and remained so in the context of at that time providing natural gas in Victoria cheaper than anywhere else in Australia.

The move to establish new privatised businesses in this instance meant selling off a highly efficient business that had served Victorians well over a number of years. It had also provided natural gas to a number of townships throughout Victoria which it might be argued were marginal and where natural gas may never have been supplied had the Gas and Fuel Corporation been a privately run company that was driven exclusively by the bottom line.

I remember it well, because I worked for the Gas and Fuel Corporation for some nine years. During that period I was involved with the extension of natural gas to Melton, which was an important initiative. It was possible only because the Gas and Fuel Corporation was prepared to bear the cost of providing bottled gas to all residents of Melton at natural gas prices as an interim step until natural gas was connected. I cannot imagine a privately owned company taking that type of action.

The question of further pipeline extensions for country Victoria is an issue about which many honourable members representing rural areas have been concerned in the past. The Honourable Peter Hall did not mention it in his contribution.

Hon. P. R. Hall — That is not true.

Hon. T. C. THEOPHANOUS — If you did, I did not hear it. If you did, I am happy that it is still on the National Party's agenda, because the actions of the previous government made the extension more a question of whether the economics stand up than whether there are social reasons for extending gas to some of the more remote regions that Mr Hall claims to represent.

Hon. P. R. Hall — If you worked at the Gas and Fuel Corporation, then why didn't you get gas into East Gippsland or South Gippsland?.

Hon. T. C. THEOPHANOUS — I did not have a high position in the Gas and Fuel Corporation. The highest position I ever achieved with the corporation was to be the manager of a suburban branch. There is one highlight that I normally do not talk about, particularly within Labor circles, but I plead guilty to having won the Gas and Fuel Corporation's prize for salesman of the year for having sold more gas central heating units in my designated area than anybody else. I recall another occasion after I became a minister in the former Labor government when I visited the corporation. I was negotiating a corporatisation policy, and as I walked in Keith Fitzmaurice put his arm around me and said, 'You're one of us'. I am not sure that he agreed with that sentiment after we began negotiations.

I turn to liquefied petroleum gas (LPG) prices. Mr Hall contrasted the unbelievably high price of bottled gas in regional Victoria, which he said is up to $70 a bottle, and the price at the pump for motor cars using LPG. The difference is extraordinary, but he did not point out that one of the problems is precisely the fact that there is a lack of competition. One of the major reasons for that lack of competition is the action taken by the previous government in selling the Heatane Gas division of the Gas and Fuel Corporation to its major competitor. That created more or less a monopoly in LPG throughout Victoria.

I accept what Mr Hall said about world pricing, which is true, but it is not the only factor. There is a lack of real competition in LPG in Victoria and probably throughout Australia. That factor contributes to the high prices being paid for bottled gas. When the opposition talks about how strongly committed it is to competition honourable members should reflect on the whole picture, and that privatisation was not a success story from that point of view.

I turn to a concern raised by Mr Hall about whether proposed new section 79C will override the effectiveness of easements and make redundant the provisions in the easements requiring consent to the carrying out of works in the easement area. The government's view is that that is not the effect of proposed new section 79C. After enactment of the new section Duke Energy International will continue to have the protection that currently exists under its easements. Proposed new section 79C is a prohibition, not an authorising provision. In other words, the effect of the proposed new section is to prohibit persons carrying out excavation work without first obtaining the authority of the relevant gas company or providing any notice required under the regulations.

That is an important initiative, because often in the past excavation works were carried out that resulted in unfortunate incidents where gas escaped and dangerous situations developed partly because no attempt was made by the excavator to find out whether there were any easements or gas pipes in the area. The proposed

new section is an attempt to protect the community, and for that reason it should be applauded.

The main feature of the bill is the introduction of full retail contestability, which means all customers will be able to choose their gas retailers. Currently medium and large consumers can choose their retailers. Once full retail contestability is implemented domestic and small business customers will also be able to choose between gas retailers. That will bring gas into line with electricity in retail contestability.

In practical terms, customers will be able to respond to competitive offers for gas supply made to them by the incumbent gas retailer and by new retailers in the market. Customers will be able to take up market offers, but if they take no action they will continue to be supplied by their existing retailer.

One way the bill facilitates full retail contestability is by the introduction of what is called a safety net for domestic and small business customers similar to the one introduced for the electricity market. I applaud that very important initiative. The safety net provisions are designed to protect consumers. The safety net comprises a reserve pricing power, standing offers to supply and sell to customers, deemed contracts, minimum terms and conditions of supply and ongoing community service obligations on the part of retailers.

I applaud in particular the ongoing community service obligations because as part of the licence obligations on retailers that wish to sell to residential customers they must enter into agreements with the Department of Human Services for the provision of rebates and concessions for low-income customers. That important government initiative will ensure that low-income customers continue to be looked after following the introduction of full retail competition.

Many of the bill's provisions are transitional and, subject to subsequent review, will sunset on 31 August 2004. The bill provides flexibility for the government to be able to defer the 1 September 2001 date, which is again similar to the electricity legislation.

The bill also makes a number of amendments to the Gas Safety Act principally aimed at ensuring the safety and efficiency of gas appliances and protecting gas pipelines and installations from interference and damage.

The bill establishes a number of offences and provides that the Office of Gas Safety may issue infringement notices or on-the-spot fines for prescribed offences. The bill also introduces the promotion of energy efficiency as a role of the OGS, which is another important and welcome provision. As honourable members know, gas is a finite resource. It is a very clean resource which has to be used responsibly.

The introduction of the star rating system for the energy efficiency of gas appliances plays a very important part in assisting consumers to choose between different appliances and to purchase the appliance that will be the most appropriate for their use. I urge the minister and the government to continue to monitor energy efficiency, perhaps even to the extent of reviewing minimum standards to ensure that they are at adequate levels. There is no reason why gas or electricity appliances that are not at the optimum level of efficiency should be allowed into consumers' homes, as occurred in the bad old days.

The bill establishes the essential elements of the regulatory framework. Passage of the bill is urgent because of the long lead times associated with the implementation of full retail competition, and that is why the bill is now before the house.

I will comment briefly on the reserve powers of the government. The reserve price regulation power is intended as a transitional measure to be available until the competitive retail market is adequately developed. It is the government's view that the new reserve power should be exercised only if a de facto monopoly exists and the party holding that de facto monopoly has or appears to have set retail prices that result in its obtaining a monopoly rent.

Clearly the government places an emphasis on achieving proper competition in the market which will benefit consumers as opposed to having a framework in which monopolies can emerge, as has occurred in the bottled LPG industry. There might be competition in principle in that industry, but the market has been cornered by one company, and that is why Mr Hall has indicated that bottled gas in his area costs $70 a bottle. There is no other option but to buy from that provider.

Hon. P. R. Hall — Don't forget world prices. You said that before.

Hon. T. C. THEOPHANOUS — I have already mentioned that, but I am happy to have the comment on the record. I repeat: it would be far better to have some competition in the delivery of LPG because it would be of benefit to consumers. The last thing the government would want, Mr Hall, would be a monopoly in the provision of natural gas where a number of companies attempted to charge monopoly rent on the provision of gas to a captive audience of consumers.

I again applaud the government for maintaining those transitional reserve price regulation powers to ensure that consumers ultimately maintain the benefit of all the things I have outlined. The bill provides that the reserve power will lapse on 31 August 2004 and that any unexpired orders will also lapse on that date.

In the lead-up to that date it is the government's intention that the Office of the Regulator-General will be given a reference to review how competition is impacting on Victorian domestic and small business consumers and to advise the government on whether there is a need to extend the capacity for retail price regulation beyond 2004. The mechanisms have been put in place for that review to take place in 2004 to ensure that consumers will be protected.

The bill has other important aspects, but as they are being supported by both sides of the house I will conclude my remarks by commending the bill to the house and urging all honourable members to support it.

Debate interrupted pursuant to sessional orders.

Sitting suspended 1.00 p.m. until 2.02 p.m.

QUESTIONS WITHOUT NOTICE

Electricity: supply

Hon. PHILIP DAVIS (Gippsland) — Last night the Minister for Energy and Resources confirmed that on 28 January there had been a meeting about load shedding involving her chief of staff and the National Electricity Market Management Company, Nemmco. Will the minister now confirm that on 17 January the responsible Victorian officer met with Victorian ministers, their advisers and the Department of Treasury and Finance and that the discussions centred on the likelihood and severity of load shedding should the industrial relations action at Yallourn continue?

Hon. C. C. BROAD (Minister for Energy and Resources) — In response to the honourable member's question, I can indicate that throughout that period — as a result of industrial action which goes back to the previous government and which escalated under this government — the Bracks government held a whole series of meetings. I do not intend to outline to the house the meetings that I was or was not involved in with other ministers or what was discussed at those meetings.

What I will say is that there was a whole series of meetings by way of general briefings and preparations at that time.

Energy Smart program

Hon. JENNY MIKAKOS (Jika Jika) — Will the Minister for Energy and Resources inform the house of the action the Bracks government has taken to promote energy conservation in schools and the wider community?

Honourable members interjecting.

Hon. C. C. BROAD (Minister for Energy and Resources) — The Bracks government assists schools to conserve energy through the Energy Smart schools program, which honourable members are correct in saying I have referred to previously in this place. I am pleased to advise the house that some 800 schools are registered with the program. The schools receive information and software they can use to develop strategies to lower their energy consumption.

On Friday I was pleased to present awards to the winning schools in the Low Energy Challenge, which was sponsored by the Victorian Sustainable Energy Authority. The competition was an initiative to demonstrate to the schools and the community how easy it is to save energy and money. This year's winners were Parkhill Primary School in the primary school category, and Cobden Technical School in the secondary school category.

The winners in this year's competition achieved reductions in gas and electricity use — 15 per cent by Parkhill Primary School, which was the best performer, and 11 per cent by Cobden Technical School — through very simple measures such as ensuring that lights were turned off in empty rooms and that heaters were set at their most efficient temperatures.

It is important to note that for a large school those sorts of achievements can result in an annual saving in energy costs of around $10 000 and a reduction in greenhouse gas emissions of around 95 tonnes. The government's focus on energy conservation programs has been well received by schools and demonstrates a very real change in energy conservation, in contrast to the focus of the previous government.

Electricity: supply

Hon. M. A. BIRRELL (East Yarra) — I refer the Minister for Energy and Resources to the 28 January briefing on electricity by the National Electricity Market Management Company, Nemmco, of senior staff of the Premier's office and her office. Is it not a fact that the minister did not tell the house the full truth last night, because at that meeting Nemmco, by means of graphs, illustrated how load shedding would take

place in Victoria and South Australia if hot weather occurred on a weekday while Yallourn power station was out of service?

Hon. C. C. BROAD (Minister for Energy and Resources) — I reaffirm the answer that I gave in this place last night. The advice that I have received, since I was not present at this meeting, is that it was a general briefing on various communication and protocol issues that occur in the national market at times of low electricity reserve, which was the situation as a result of the action at Yallourn. I stand by that answer, Mr President.

Foundation for Sustainable Economic Development

Hon. KAYE DARVENIZA (Melbourne West) — I refer the Minister for Industrial Relations to the Bracks government's role in establishing the Foundation for Sustainable Economic Development to encourage innovation and excellence in Victorian businesses. Will the minister advise the house which projects the foundation will undertake over the coming year to assist businesses and the government?

Hon. M. M. GOULD (Minister for Industrial Relations) — As I have advised the house, the Foundation for Sustainable Economic Development was established last month with a contribution by the Bracks government.

Since the launch a business plan has been finalised. The plan includes an intensive program of producing four position papers within the first year of the foundation's operation. To ensure that the work of the foundation is relevant to the needs of industry stakeholders, the development of the business plan has been closely supervised by an advisory board chaired by Mr Grant Latta, the chairman of GCM Corporation.

The board also includes representatives from the Australian Industry Group, the Australian Council of Trade Unions, superannuation funds, the construction industry, Melbourne University and the Australian Conservation Foundation.

The four papers proposed to be produced under the business plan will look at businesses in Australia and overseas that have embraced ecologically and socially sustainable practices. In particular, the foundation will consider the impact those practices have had on the profitability and competitiveness of those companies.

Today I can announce that the plans for the foundation to embark on several of those major projects will provide sustainable assistance to both Victorian businesses and the Bracks government.

One exciting initiative of the foundation is a large project to examine the human resource and environmental management strategies behind the highly successful Olympic and Paralympic Games. Those events were world class, and the research to be provided to Victorian industry and the government will be crucial in assisting in our preparations for the 2006 Commonwealth Games in Melbourne. All parties approached by the foundation, including the New South Wales government, unions and the major contractors involved in the Olympic Games, have shown strong support and offered great resource assistance for the project.

The foundation will also undertake research with the Australian Stock Exchange on the environment, occupational health and safety, and a number of other areas. There will be research in the financial sector, and other arrangements will also be made through the foundation. A person from Norway who has expertise in tripartite negotiations will advise the foundation on how successful the business operations have been overseas.

The foundation has started very constructively with its four major plans for next year, and once again on behalf of the government I wish the foundation all the best in its endeavours in encouraging excellence and innovation in Victorian businesses.

Minister for Industrial Relations: output measures

Hon. R. M. HALLAM (Western) — I begin my question by reminding the Minister for Industrial Relations that she has only three output measures on which she reports in her industrial relations portfolio, one of which is entitled 'Ministerial satisfaction with the quality of advice and services'. I note from the 2000–01 budget estimates that the minister expects to be satisfied only 80 per cent of the time. My question therefore is: what do you do with the advice you are not satisfied with?

Hon. M. M. GOULD (Minister for Industrial Relations) — If Mr Hallam read through the transcript of the Public Accounts and Estimates Committee hearing he would recall that he asked a similar question then. He asked why the outputs were as they were and why that was the percentage set. My response was that it is the percentage the previous minister had set, which had not been changed. However, this minister — —

Honourable members interjecting.

The PRESIDENT — Order! I cannot hear the minister, and the Hansard reporter cannot hear the minister. I suggest the house settle down.

Hon. M. M. GOULD — That was the percentage rating of the previous minister responsible for industrial relations, Mr Birrell. Mr Hallam may recall that my response at the time was that there was a review as a result of two different branches coming together to form a new branch. A review has been undertaken. Those measures are part of that review, and when it is complete there could be some changes to the output measures.

Small business: advisory council

Hon. R. F. SMITH (Chelsea) — Will the Minister for Small Business inform the house of what the Victorian government is doing to develop business and exporting opportunities for Victoria's culturally diverse small businesses?

Hon. M. R. THOMSON (Minister for Small Business) — I am pleased to inform the house that the government is currently establishing the Ethnic Enterprise Advisory Council, and advertisements have been placed in newspapers to encourage people from our ethnic communities to apply to join the council.

The council's main task will be to draw on the wealth of information from our ethnic communities and their contacts overseas to help encourage new export markets to Victoria. The government will also be asking the council to look at ways of supporting our ethnically diverse businesses. More than half of all small businesses are operated by first or second-generation Australians, and there is a wealth of expertise the government can utilise and accommodate through the Ethnic Enterprise Advisory Council.

The council will be looking at strategies for building the export capabilities of Victorian businesses, acting as a catalyst for the development of business opportunities that take advantage of Victoria's linguistic and cultural resources and providing a forum for interaction and strategic business networking between ethnic business communities.

The nominations close on Wednesday, 20 December, and the Honourable Kaye Darveniza, Parliamentary Secretary for Multicultural Affairs, will be the chair of the council.

Electricity: supply

Hon. M. A. BIRRELL (East Yarra) — Does the Minister for Energy and Resources deny that she was personally advised on 17 January by Vencorp of the likelihood of severe load shedding in coming weeks? In other words, is it not a fact that the minister was told about the likely blackouts and did nothing?

Hon. C. C. BROAD (Minister for Energy and Resources) — In response, I have already provided an answer about meetings on specific dates. What I can indicate, however, is that clearly the government was well aware of the situation that existed at Yallourn at that time. It would have been difficult for the government not to be aware of that situation, since that situation predated this government.

As you would expect, given that that situation was in place, the government was doing the responsible thing. It was mindful of the need to be advised on a whole range of scenarios and how the national market would operate under those circumstances. One of the sources of advice to the government at that time was the responsible Victorian agency, Vencorp. But I reiterate, as I have on many previous occasions in this place: there was no possible way the government could have been advised on that date or any other date prior to 3 February — I think that was the relevant date here — of the concurrence of the events that occurred on that date and the subsequent events.

Youth: round table program

Hon. G. D. ROMANES (Melbourne) — Will the Minister for Youth Affairs inform the house of the further action he has taken to ensure that Victoria's young people have a voice in government?

Hon. J. M. MADDEN (Minister for Youth Affairs) — I am pleased to announce that the third youth round table will be conducted on Friday, 8 December, in Sale, Gippsland.

Opposition members interjecting.

Hon. J. M. MADDEN — The topic for discussion is increasing opportunities for rural young people for self-expression — —

Honourable members interjecting.

Hon. J. M. MADDEN — The topic is increasing opportunities for rural young people for self-expression and participation through music, the arts, recreation and sport. Up to 60 young people are expected to participate, representing all areas of Gippsland from

Wonthaggi to Swifts Creek. The young people, who are aged between 13 and 18 years, have been nominated by their schools, be they government or non-government, including Catholic, regional youth committees, the Youth Affairs Council of Victoria or the centre for multicultural issues — or they have nominated themselves via the Internet. It is the same selection process that was used for previous round tables, which I am sure the Honourable Andrew Olexander will be pleased to know. I will be in attendance the whole time, enabling — —

Opposition members interjecting.

Hon. J. M. MADDEN — That will enable the young participants to raise issues and suggestions with me directly. At least four youth round tables are to be held every year, and at least half of them will be held in rural towns. Each round table will involve a different group of young people, and we anticipate that about 250 young people will have the opportunity to participate each year.

I compare that with the youth council established by the former Premier, which originally included 31 members. I point out to members of the opposition the process for selecting the members of that youth council. First, 55 per cent were nominated by coalition members of Parliament.

Honourable members interjecting.

Hon. J. M. MADDEN — If one had a cynical attitude or were a bit sceptical, one might think they were selected on the basis of the photo opportunities they offered in the local newspapers. In addition, 10 per cent of the members were self-nominated and 35 per cent were nominated by community organisations. One cannot help but be sceptical about the former Premier's youth council. That council was not representative, but this one is. All six geographic regions of Gippsland will be represented at the next round table. The tone of the round tables is friendly and informal. The young people attending are comfortable and feel free to make their views heard.

Surf lifesaving: season

Hon. J. W. G. ROSS (Higinbotham) — My question to the Minister for Sport and Recreation concerns the ALP election policy entitled 'Building Victoria's sporting life'. I refer to the promise made after a spate of tragedies on Victoria's surf beaches:

> Labor will extend the surf lifesaving season by an additional four weeks in recognition that many Victorians continue to need patrolled beaches during February each year.

As this Friday will mark the beginning of the second summer of the Bracks government — sufficient time, I would have thought, to implement Labor's policy — will the forthcoming surf lifesaving season be extended by an additional four weeks as promised?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — Honourable members will be aware that on a number of occasions I have mentioned the Play it Safe by the Water campaign and the issues associated with it. The emphasis this year is on preventing toddler drownings and heightening awareness of water safety among ethnically diverse communities that may not get the message due to language problems.

As part of its policy platform Labor promised to extend the dates and hours during which surf lifesaving is provided. We will be addressing that issue across our term of government.

Opposition members interjecting.

Hon. J. M. MADDEN — We are acting on some significant issues immediately. I have mentioned them on a number of occasions in this house, particularly the beach signage issue, identifying where beaches are patrolled and where members opposite — —

Opposition members interjecting.

The PRESIDENT — Order! I am interested in the minister's answer, as I am sure are others in the house. I ask the house to allow the minister to be heard in silence.

Hon. J. M. MADDEN — The government is addressing the considerable need for beach signage. As I have mentioned on a number of occasions, many people get into trouble as a result of not knowing which beaches are patrolled, and when. The government is addressing the issues relating to beach signage.

Opposition members interjecting.

Hon. J. M. MADDEN — The amazing thing about the criticisms being directed at the government by the opposition is that in seven years the coalition government never addressed the issue of beach signage.

Hon. K. M. Smith — On a point of order, this is a very serious issue, yet the minister keeps smiling as he makes snide remarks.

Honourable members interjecting.

Hon. K. M. Smith — The minister was asked a very simple question: will the season be extended for an

another month? The minister should not make any more snide remarks but give us an answer.

Honourable members interjecting.

The PRESIDENT — Order! As I understand the question paraphrased by Mr Smith, the minister's answer is that the policy will be implemented during the term of the government. The minister has given the house some information about signage. Whether he wants to take that further is up to him.

Hon. J. M. MADDEN — As I continue to articulate, there are a number of things that I found startling on coming into this portfolio. The opposition had seven years to address the issue of beach signage, but it did not do so. When we came into government, overnight we appreciated that the beach signage issue had not been addressed, and we are seeking to do so now.

Opposition members interjecting.

Hon. J. M. MADDEN — The opposition can be vocal in its criticism; but, as I have said, it surprises me that in its time in government it did nothing about beach signage and some of the immediate safety issues on our beaches.

Boating: safety

Hon. E. C. CARBINES (Geelong) — As the summer boating season is fast approaching, will the Minister for Ports advise what is being done to raise boating safety awareness among the boating community this summer?

Hon. C. C. BROAD (Minister for Ports) — As the house has heard recently, recreational boating is one of the most popular water-based activities undertaken during summer. Boat operators are participating in an activity that can have tragic consequences if they do not exercise the proper duty of care for themselves and their passengers.

Boat operators assume a serious responsibility when they take families or friends boating. Passengers have every right to expect persons driving boats to know how to plan and execute the trip, and that the boat is in good order and is properly equipped.

Although the operator's responsibility to exercise genuine care is clear, the communication of the message should be delivered in such a way that boat operators recall it easily when they intend to drive their boats.

To this end the government has recently released a new boating safety slogan, which is part of a national program, with the simple title Know Know Know your Boat. Although it may appear otherwise, the slogan is not light hearted but is designed to instil into boat operators their duty of care when they take people onto the water. It is intended to remind them that they need to know the risks associated with equipment and their responsibilities when they go boating.

Boat owners need to be reminded of a whole range of other messages. They include having first-aid kits on board, telling somebody on land where they are going, ensuring they know the weather forecasts, not overloading their boats, and so on. Victoria is the first state to launch the program, and other states will follow.

The program will make available promotional material, where appropriate, including screening a modest television commercial. It is being developed in partnership with another important government program — the Play it Safe by the Water campaign — for which the Minister for Sport and Recreation is responsible.

QUESTIONS ON NOTICE

Answers

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

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

The question numbers are: 1120, 1126, 1132, 1274–5, 1297–9, 1321, 1327–9, 1331–4, 1337, 1339–45, 1348–50, 1355, 1360–3, 1366–7.

Motion agreed to.

GAS INDUSTRY ACTS (AMENDMENT) BILL

Second reading

Debate resumed.

Hon. A. P. OLEXANDER (Silvan) — I am pleased to contribute to the debate on the Gas Industry Acts (Amendment) Bill. For good reasons the opposition does not oppose this important bill that now arises as part of the process begun by the former coalition government. When I saw the bill listed on the notice

paper I was delighted that the current government had decided to move on with the privatisation and corporatisation program begun by the former government, particularly in light of some of its comments when in opposition. It painted pictures of doom and gloom descending on the state with the privatisation of this and other industries. It waxed lyrical on those issues before it assumed government.

But now that the ALP has assumed the government benches it appears it has experienced a conversion on the road to Longford and has decided it will move ahead with the full retail contestability that is so essential in any privatisation program, particularly in the gas industry.

So delighted was I when I saw the government intended to push the privatisation plan further that I considered issuing a press release, the title of which was to have been 'Jumpin' Jack Bracks, he's a gas, gas, gas', but I decided not to do so because it became apparent from some of the debate in the other place and here — this is particularly applicable after hearing the contribution of Mr Theophanous today — that the government's support for increased competition in the marketplace, retail contestability and competition is only half hearted.

I shall pick up on a couple of points Mr Theophanous made during his contribution. What appeared to encapsulate the government's thinking on the issue is that it has introduced and supports the bill but in a kind of schizophrenic way it is not supportive of the reform of the gas industry nor is it supportive of the great consumer benefits that have flowed as a result of the structural change.

Mr Theophanous made a point at length, in response to the contribution of the Honourable Peter Hall, about the liquefied petroleum gas industry, saying that it would have been fairer had a non-monopolistic situation been arrived at in the LPG industry. On the one hand Mr Theophanous seemed to argue that more competition is the way to go, but on the other hand he seemed less than enthusiastic.

Hon. P. R. Hall — He has had a bob each way.

Hon. A. P. OLEXANDER — Exactly, he has had a bob each way and is less than enthusiastic about the competitive standing the sector has been placed in on the initiative of the former government.

The bill seeks to extend the benefits of competition in the gas market to a retail contestability phase-in, which is important. It extends consumer protection to customers in the gas sector. The protections being imposed are important. It also makes possible the implementation by government under certain circumstances of a pricing reserve power that may be required while competition is developing in the gas market. Finally, the bill addresses a number of key safety issues relating to faulty or unsafe — two categories that are defined in the bill — gas appliances as well as setting rules to ensure that gas pipelines and other infrastructure is not damaged inadvertently. Those are the four main elements of the bill.

In my brief contribution to the debate I will range across all the issues, but I will concentrate on the extension of competition and the rollout of retailing contestability and consumer protection. I do so because the extension of contestability and consumer protection are the two aspects of the bill that will have the greatest positive impact on Victorian businesses, residents and consumers of gas.

The benefits of competition are manifest and have been on the policy agenda in Victoria and Australia for many years. The genesis of the change in the gas industry was Professor Fred Hilmer's envisaged changes to the gas sector in national competition policy a number of years ago. The pursuit of competition-based policy initiatives has led us to where we are today.

Before the old Gas and Fuel Corporation was privatised it held a monopoly on gas supply in Victoria. Honourable members should note that Mr Theophanous was an employee of a monopolistic organisation, but he had no problem with that. Contrary to what we are told by members of the government, it was not a highly efficient organisation, and I will expand on the reasons for that. As a result of that inefficiency, inflated prices to the consumer and inadequate service levels occurred regularly in Victoria.

The creation of the three private sector distributors and three franchise retailers initially acted to end that monopoly, which was an important step in restructuring the marketplace. Underpinning that was Professor Hilmer's objective through competition to create the conditions where service quality increased and prices to customers decreased. That can happen only when efficiencies are achieved in a competitive context.

Is there evidence to support the view that efficiencies took place when the industry was deregulated? Yes, there is, and significant price benefits have accrued to Victorian consumers. Between 1996 and 2000 average gas prices to households fell by about 6.1 per cent, compared with the situation under the old Gas and Fuel Corporation where every year for about the preceding 11 years there were increases in gas prices. Between

1996 and 2000, after the restructuring of the industry and without even the introduction of full retail contestability, average prices to consumers in their homes reduced.

It is interesting to see what happened to the cost of gas to small businesses between 1996 and 2000. That statistic is interesting because in that period the price of gas to small businesses fell by 18.5 per cent. Falls of that magnitude for households and small businesses are not achievable under a monopoly. No matter how much Mr Theophanous and his colleagues may try to convince the opposition that the old Gas and Fuel Corporation was an efficient organisation delivering best practice and best price to consumers, the opposition will not buy that argument because it is not sustained by the facts which show clearly that the introduction of those reforms has led, even so far, to reductions in costs to the consumer.

The bill continues with a staggered phasing in of full retail contestability or a choice on the part of consumers in a number of market segments. Basically that will allow consumers to change their gas supplier in a situation where the costs of switching from one gas supplier to another are minimal. Switching costs are minimised and supply regularity and quality are assured. Those key conditions are required for any competitive market to operate effectively and efficiently. There have to be minimal switching costs and people have to change to a product that is consistent and of a comparable quality with the one currently used, and those circumstances provide the conditions for further efficiencies, further reductions in costs to the supplier and further reductions in price to the consumer.

It is interesting to note that many of the market segments have already come on line. The segment of Victorian users that utilise more than half a million gigajoules of gas per annum comprises about 24 per cent of total usage in Victoria. There were 35 of those customers, and they have already gained the benefits of retail contestability. There are about 110 customers in the segment that use between 100 000 and 500 000 gigajoules a year — about 13 per cent of the total usage. The segment using between 10 000 and 100 000 gigajoules a year comprises about 8 per cent of total usage and consists of about 600 customers. A further 4 per cent of total usage is taken up by another 600 customers that use between 5000 and 10 000 gigajoules a year. The vast bulk of the Victorian market comprises those who use less than 5000 gigajoules a year. They comprise a massive 51 per cent of the total usage — by far the largest segment, with some 1.5 million customers.

The bill contains a sunset clause. By 31 August 2004 the complete rollout of contestability will occur. However, retail contestability for the lower usage market segments has been delayed because, we are told, of the prohibitive cost of certain metering equipment, of which there are two types. We are informed the meters cost about $1000. We are told that the procurement of those meters would present structural problems for suppliers and users would have problems with their installation and affordability, so that is the reason for the delay in the rollout of full retail contestability across all market segments.

Adapting to competition is an interesting process, a process a number of different industries in Australia have gone through of necessity. The process in this sector is particularly interesting. It is not an easy or simple process, and it takes time because consumers and buyers as well as sellers or retailers have to adapt, become more flexible, better informed and more efficient in making their decisions. That applies on both the demand and supply sides of the fence. The suppliers, for their part, have to become much more market focused and have to understand the particular demands of the marketplace. But it is not just a matter of understanding those demands; it takes time for suppliers to restructure internally to meet those demands.

Some of the demands are far ranging. My colleague Mr Hall referred to issues relating to the actual infrastructure and supply of natural gas to many rural and regional communities that would fall into that category, and those sorts of reforms and changes cannot be undertaken overnight. Buyers have to become better informed. They have to understand what choices are available in the marketplace. Given that a product such as natural gas is a perfect substitute for what the other companies are offering, one's decision might be based on other factors — for example, cost, efficiency, service delivery and customer service. Such issues are important to customers, but it takes time for customers on the demand side to hook into those issues and become savvy consumers of the product.

If the process is working well and the market develops normally, the quality of service and the product generally tends to improve, and in a truly competitive structure the price generally tends to decrease. However, there are times when that does not occur. In certain circumstances the market does not develop normally. It may for a number of reasons be impaired or it may experience market failure, which can happen for a variety of reasons. The bill includes a reserve pricing power that may be exercised by the minister or the government if problems such as those arise.

In theory prices might fall too low in a predatory consumer market or, probably more realistically, might rise too high, which may happen for reasons related to monopolistic practice. In both of those circumstances the seller or the buyer may not be sustained. That is just a patent fact that operates in all markets. If situations such as those were to arise in Victoria during the development of the market, that reserve power would be used by the government — I hope judiciously — to set prices and to ensure that market failure or impairment was either reduced or did not occur.

Before I address the consumer protection aspects of the bill, I will briefly refer to some important safety issues. The bill will amend the Gas Safety Act to provide stricter controls on backhoe operators; notification will be required before they use their equipment near pipelines or underground infrastructure. The bill creates an offence if someone digs within 3 metres of a pipeline. A person wanting to dig near a pipeline will require the authority of the supplier.

Farmers will be exempted from the provision if their cultivation does not exceed a depth of 300 millimetres, or about a foot, which is pleasing for those involved in the intensive agriculture and horticulture industries in my electorate. Various types of gas appliances are used in igloos and in other essential equipment required for the cultivation of native trees or plants, cut flowers, or stone fruits. All farmers will be able to avail themselves of that exemption.

I turn to the important consumer protection arrangements which are heralded by the bill. The bill recognises that, broadly speaking, certain gas appliances may be considered to be faulty — that is, they do not operate as was envisaged by the manufacturer; they are in some way less than whole. Other appliances may be deemed to be unsafe for sale, even though to all intents and purposes they operate perfectly to the manufacturer's specifications. That is an important difference because the bill provides that it will be an offence to sell an unsafe appliance except to a repairer, and disclosure to that repairer has to occur under the bill. It will also be an offence to sell a faulty appliance to anybody in the marketplace. That is long overdue and mirrors some of the consumer protection legislation that exists in other areas.

The Office of Gas Safety may declare a product or a group of products unacceptable for market use if the products are deemed, through the office's investigations and inspections, to be unsafe for normal use by a consumer. That decision may be appealed by manufacturers or suppliers, which is important because no government body is always right on those issues. The appeal process in the bill is welcome.

A special provision is also made for the formal recall of faulty gas products or appliances. That will operate in a similar fashion to the way faulty consumer goods, whitegoods or consumer durables are recalled. Honourable members would be aware of instances of recalls involving motor vehicles and other types of equipment. This provision will operate in much the same way.

Importantly, a key consumer protection will be the introduction of a labelling system which will provide consumers who buy appliances and goods powered by gas with energy efficiency labels or ratings. A similar system operates effectively in the electricity industry and is important for Victorian consumers. The conservation and efficient use of a finite resource is always important. It is also a cost and affordability issue for consumers in the gas sector with its many gas appliances, particularly the supply of gas to water heaters or home heaters. A home could have two appliances doing exactly the same job but one of those appliances might use up to two or three times more energy or gas than the other. That could occur because of the design of the appliance or the heating process, but it is a serious issue for consumers. It is also vital that consumers understand how much they are likely to have to pay in fuel costs when they are planning their home structure and their household budgets.

My electorate office often receives complaints from consumers about outrageous gas accounts where they simply cannot believe they have used that much gas. However, when it is investigated by the supplier it is often identified that the particular appliance used during that period uses an inordinate amount of the total household consumption. The figures are right but the consumer has not realised it, which causes enormous difficulties. I hope the new labelling provisions will make that occurrence a thing of the past.

Quality standards for the gas supplied are also mandated in the bill, which is another important protection for people. Many small and medium-sized operations process a gas product largely to their own specifications. That happens often in rural and regional Victoria, where several operators bottle gas and sell it. The bill provides for minimum quality standards to be mandated and will act as a further protection for Victorian consumers who use that gas.

The opposition does not oppose the bill, but it is concerned about two key issues. The introduction of full retail contestability for all market segments has

been delayed. The opposition understands the reason for the delay, but it is concerned that that delay does not continue indefinitely while the metering situation goes unresolved in the longer term. If that were to happen, the full benefits of retail contestability and competition would not be passed on to all consumers in the state, and the vast majority of consumers fall into those lower segments where the issue is relevant. The opposition encourages the government to act as quickly as possible to resolve those issues so that the contestability schedule is not only met but possibly exceeded.

The opposition hopes the significant and powerful reserve pricing powers incorporated in the bill do not lead the minister or the government to any injudicious or inappropriate use of that power. Intervention in the gas marketplace may from time to time be tempting, and it may be extremely popular politically. We encourage the minister and the government not to use that power injudiciously but only in genuine cases where the market is impaired or is failing, which was its original intent. The opposition does not oppose the bill and wishes it a speedy passage.

Hon. C. A. STRONG (Higinbotham) — The Gas Industry Acts (Amendment) Bill takes the deregulation of the gas industry to its next logical step. As other speakers have said, it is a process which has national consequences, and is also a process that the previous government was responsible for initiating. It is pleasing to note the current government is continuing that process.

It should be understood that the gas industry is a little different from the electricity industry in that nationally gas, unlike electricity, has been in both public ownership and private ownership across Australia. There has been similar legislation dealing with full retail contestability in the electricity industry, but all electricity distribution throughout Australia was in government ownership prior to the Kennett government's initiatives to so successfully privatise it.

That was not the case with gas. In some states gas was privately operated as a regulated industry but in Victoria it was in public ownership under the Gas and Fuel Corporation until it was privatised into a series of entities by the former Kennett government. As other speakers have noted privatisation has brought considerable benefits both to consumers through reduced gas tariffs and to the state by reducing debt.

The next step in gas deregulation is the introduction of full retail contestability, which was scheduled to take place on 1 September 2001. In other words, anyone who used gas would be able to approach any gas retailer to negotiate the best price and competition would enhance their ability to get improved services at a reduced cost. The bill flags that full retail contestability is unlikely to take place on that date and sets in place a transition period of three years during which full contestability may come into play. In other words, many of the provisions will sunset at 1 August 2004.

The main provisions referring to full retail contestability fall into two areas: those provisions that will allow full retail contestability and those provision that will provide a degree of consumer protection during the transition period prior to retail contestability.

I will deal with the second group of provisions first. Were full retail contestability to come in on 1 September next year all the tariff orders that regulate retail prices would expire because there would be contestability at that stage and therefore the market would dictate price instead of there being regulated tariffs. As with electricity, some provisions will allow tariff orders to continue until competition is in place. The provisions giving the government power to interfere in the pricing of gas are almost draconian. During the transition phase the government can intervene and set prices as it sees fit. In that context I was pleased to hear Mr Theophanous state that the government did not intend to use those draconian powers except in exceptional circumstances.

The other set of powers deal with the structure the market will have when it is fully contestable. The issues are similar to those that apply with electricity. When customers change from one supplier to another there must be a mechanism to keep track of them — the authorities must know who they are and who their supplier is. That means a system must be put in place to do all that as well as to deal with the use of the product, including for how long it is used.

However, the systems need not be as sophisticated as with the electricity industry — electricity is measured on a half-hour basis with huge cost variations — because gas has a more stable price-to-time relationship and therefore the metering systems needed are nowhere near as complicated. Given those circumstances I hope the process of getting the systems and procedures in place will not take anywhere as long as with electricity and consequently the full retail contestability of gas may not be delayed much past the 1 September 2001 time line.

Vencorp will be given the authority to work out the appropriate system and to charge the utilities for the cost of doing so, which costs will be passed on to

consumers. Because the gas system is not as complicated as the electricity industry I trust that when Vencorp is developing the system under the government's direction it will not go over the top. If the systems that are developed are complex the net result will be that the costs will be passed on to the consumers, which will not be a good outcome.

As was mentioned by other speakers, the bill proposes amendments to the Gas Safety Act to provide a series of changes that are broken into several areas. The first is appliance efficiency, which deals with appliance labelling. Honourable members know of the five-star rating for electricity appliances but no such rating exists for gas appliances. The bill allows such a rating system to be developed, for labels to be put on gas products and for product labelling to be authorised and approved by the Office of Gas Safety. The office will also have power to deal with suspect appliances to ensure safety. The strengthening of provisions dealing with issues such as false labelling, the prohibiting of the sale of various appliances and the recall of appliances can only be beneficial to consumers.

The bill also contains provisions relating to gas pipelines and excavations near them. Documents will need to be provided before any excavation can occur so that the authorities know what is going on and can keep track of it. A regime of on-the-spot fines is being instituted to ensure people who do not comply with the new safety regime will be dealt with expeditiously rather than having to go through the time-consuming court process.

The final issue overarches many of the other issues relating to gas deregulation. As I said in my opening remarks, the issue is of national and state significance because the deregulation of the gas market is a national and state initiative. Gas mains and gas pipes throughout Australia are being increasingly linked, and that is a feature we will see more of.

The extent to which gas pipelines are laid in new areas is important to rural Australia — and in particular, as other speakers have said, it is essential to supply natural gas to rural Victoria. The only way to achieve that is through a pipeline, so the regime under which pipeline operations are regulated will be a major factor in the extent to which natural gas is supplied to rural Victoria. If the regulatory regime does not take commercial imperative into account, the operators will be discouraged from laying pipes in those areas. That is why the regulatory regime is important.

Honourable members must understand that there are two directions in which the regulatory regime can go. One is an incentive-based regime, which gives operators the incentive to invest in new pipelines, new processes and new technology; and if the investment produces a profit, it can be shared with the consumers.

The other regime is based on what is called rate-of-return regulation. The underlying philosophy is that, regardless of the capital, new technology and productivity involved, the government says, 'We will allow you a certain rate of return on your assets, and you will get no more than that'. If one looks at the way rate-of-return regulation regimes have worked in other countries, one notes that companies do not strive to increase productivity or put new technology in place because they do not get to share in any of the benefits or profits that result. At the end of the day, rate-of-return regulation stifles industry. It certainly stifles investment in new areas, especially in rural Victoria. That is why it is important to get the regulatory regime right.

I turn to some comments made by Mr R. W. Piper, the chairman of the Envestra Corporation, which operates pipelines throughout Australia. In his annual report Mr Piper states:

> There is a clear need to review the regulatory process being applied to the energy industry in Australia. It is costly, extremely intrusive and very time consuming — a far cry from the light-handed approach that was promised when the national legislation was introduced in 1997. Furthermore, the current rate-of-return approach to regulation is stifling new projects around Australia. In our own case, Envestra has deferred further work on a major regional Queensland natural gas project until the final decision on the access arrangement for the company's other assets in Queensland is known …

It is interesting to note some of the other points made by the company's general manager at the same annual general meeting. He made them in the context that many of the gas utilities have grown out of regulated private sector organisations. One can take the example of AGL, which some honourable members may know has been supplying gas in Australia for more than 100 years. Although it is a private organisation, it operated in a heavily regulated environment.

Part of the aim of deregulation was to lift that type of regulation in an attempt to incentivise the industry through introducing new processes, achieving new efficiencies, providing consumers with better service and lower prices, and sharing the benefits with those companies that invested in the industry. In that context the general manager made the point that, as somebody who had been in the gas industry for some time, he was disappointed to see a reversion to the old, regulated ways. He questioned the extent to which deregulation was succeeding from the perspective of somebody who

had worked in a regulated industry but who was seeing new industries replicate in their regulatory regimes the types of problems of the regulated years.

I believe this government — the same is true of other state governments and the federal government — must look closely at the regulatory regime applying to Victoria's gas and electricity utilities, its public transport system and its ports. A proper regulatory regime is critical if the real benefits of deregulation are to flow to consumers. Deregulation will work only if we have the right regulatory framework for those natural monopoly parts of the industry.

Third reading

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

That this bill be now read a third time.

I thank honourable members for their contributions to the debate.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

VICTORIAN CURRICULUM AND ASSESSMENT AUTHORITY BILL and VICTORIAN QUALIFICATIONS AUTHORITY BILL

Second reading

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

Hon. ANDREW BRIDESON (Waverley) — It gives me pleasure to speak in this cognate debate on the Victoria Curriculum Assessment Authority Bill and the Victorian Qualifications Authority Bill. There is a reasonable amount of overlap between the two bills and it is a sensible decision on the part of the government to have them debated together.

I intended to open with a comment that it was significant to participate in this education debate in the presence of some students and teachers, but I notice they have since departed the gallery. I intended saying that it is important for students to see how Parliament works and to observe a situation where the government and the opposition are not in disagreement, as is the case with this legislation. However, I guess those students, who no doubt are from regional Victoria, have other activities to pursue in Melbourne. I wish them well in that regard. I also intended saying that with the successful implementation of both bills the educational and employment opportunities of those students will be significantly enhanced.

I turn now to the real issues facing Parliament this afternoon. The two bills emanate essentially from three reports commissioned by the government and completed in the past 12 months or so. The first is the Connors report, which is entitled *Public Education — The Next Generation*. The second and perhaps more significant report is known as the Kirby report and is entitled *Ministerial Review of Post-Compulsory Education and Training Pathways in Victoria — Final Report*. The legislation emanated to a lesser degree from a third report known as the Schofield report and entitled *Delivering Quality — Report of the Independent Review of the Quality of Training in Victoria's Apprenticeship and Traineeship System*, although from a quick perusal of it I cannot see that it has had much of an impact.

The opposition views the reforms proposed by the legislation as evolutionary rather than revolutionary — a good thing — and believes they build on the reforms implemented by the previous government. Perhaps one of the most notable of those previous reforms was the vocational education and training, or VET, program, which is being implemented in schools. A reading of the current annual report of the Department of Employment, Education and Training reveals that some 13 000 students participated in VET and that a significant number have used it in their Victorian certificate of education, or VCE, curriculum.

The VET program has been welcomed in many schools throughout Victoria. I have an interest in one particular school — the Brandon Park Secondary College — because I am on the school council. The school has implemented an extremely successful VET program. I am not sure whether it made a submission to the Kirby process but it has implemented a number of things I have read about in the Kirby report. Importantly the school has followed up the progress of its students once they have been placed in employment. That issue was a consideration referred to in the report.

In my research I noted that the Honourable Haddon Storey, a former member of this place, also conducted a review on seamless education and training. I think the review was conducted for the Honourable Phil

Honeywood, the honourable member for Warrandyte in the other place, when he was the minister in the post-compulsory education sector. As I said, what the government is proposing sensibly builds on what was done by the previous government.

Honourable members will see that some of the changes I will go through in my presentation are essentially cosmetic — they are rebadging exercises. I am not particularly concerned about that because I believe it is the prerogative of any new government to take such action. I am sure that when the current government is eventually replaced by a conservative government we too will go through a process of review and rebadging. It is just the way the political system seems to work.

The Victorian Curriculum and Assessment Authority essentially replaces the Board of Studies in a rebadging exercise. The Victorian Qualifications Authority will be the only — and I emphasise the word 'only' — Victorian accreditation certification and registration authority for qualifications. Those qualifications will have a status that is comparable to or higher than the status of courses that are normally undertaken in years 11 and 12 as part of the VCE and through the vocational education and training and further education sectors.

The Victorian Qualifications Authority will assume the accreditation and registration functions of the State Training Board and the Adult, Community and Further Education Board. The Victorian Learning and Employment Skills Commission also arises from the demise of the State Training Board. Those changes emanate directly from recommendations 27 and 28 of the Kirby report. I will go into that in more detail later.

The opposition has consulted widely on the bill with the stakeholders, who I might mention were active participants in each of the reviews I have mentioned. Some of the organisations consulted with are the Association of School Councils in Victoria, the state secondary and primary principals associations, the Australian Education Union, Parents Victoria, the association of professional teachers, the Catholic Education Office, the Victorian Independent Education Union and the Association of Independent Schools. The opposition found no chorus of dissent in its discussions with all of those organisations. In fact, one of the important things about both bills is that they have emanated from the wide consultations the government embarked upon. As a result there is a feeling out there in the field of ownership of the bills. I believe that is an essential ingredient of the success of any legislation.

I turn now to deal with the Victorian Curriculum and Assessment Authority Bill, and to the purposes of that bill in clause 1. The main purpose of the bill is to establish the Victorian Curriculum and Assessment Authority. As is noted in the bill, its provisions will come into operation on days to be proclaimed but in the event that any provisions have not come into operation by 1 December next year, all provisions will be proclaimed on that day. However, I would like to think that because of the ramifications of the bill on the education sector that would occur sooner rather than later.

Clause 3 sets out various definitions. They are all very straightforward and I do not propose to go through them at any length.

As I said earlier, in establishing the Victorian Curriculum and Assessment Authority the bill abolishes the current Board of Studies and repeals the Board of Studies Act. The VCAA will be a body corporate and have a common seal. It may sue and be sued and may acquire, hold and dispose of real and personal property.

Clause 5 sets out the objectives of the authority, which are to develop high quality courses and curriculum and assessment products and services; to develop courses designed to be undertaken in school years 11 and 12, including courses that will lead to the issuing of the VCE and prepare students for a successful transition to employment or further studies. One of the most important objectives of the authority is to provide linkages that will facilitate movement between those courses and other courses, which was taking place under the previous government. That provision is welcomed.

Clause 6 sets out the functions of the authority, which are to develop policies, criteria and standards for curriculum, assessment and courses for school students, including courses that lead to recognised qualifications. I should like to think the VCAA will insist upon the highest possible standard for students because they are competing in a rapidly changing world. It will be a vastly different world when they enter the work force than the one we are experiencing today. I should like to think our students will be given the best possible chance of the most up-to-date education.

Clause 6 also provides for the authority to develop, evaluate and improve curriculum for courses normally undertaken in school years 11 and 12 that are accredited under the Victorian Qualifications Authority Act.

That demonstrates the linkages between the bills. The assessment authority will also oversee the delivery of

and conduct assessments for the VCE and any other qualification available to a student in a school except a qualification in vocational education and training for further education that is a recognised qualification. It will develop and maintain the curriculum standards framework and other standards for measuring and reporting on student performance. The curriculum standards framework was recently evaluated by the previous government and has been continued under the current government.

The board will also conduct assessments against the curriculum standards framework and other standards for measuring and reporting on student performance. It will design, develop and evaluate a curriculum or course and assessment methods for them. It will also oversee the delivery of the courses and conduct assessments of students undertaking those courses. It will design, develop and evaluate curriculum and assessment products and services.

The authority will monitor patterns of participation by students in courses, including vocational education training, and quality of outcomes of courses, including VET in Schools courses. It will advise the Victorian Qualifications Authority about patterns of participation and quality of outcomes referred to in paragraph (g). It will give advice or make recommendations to the minister about any educational policy; prepare and maintain records of student assessment; make available to the general public information collected by it on the results of schooling; commission or conduct research on matters related to its functions; provide professional development activities; provide information services; and report on student performance to the minister, the secretary to the department and other relevant bodies. There is also a catch-all subclause providing that the authority will perform any other function conferred on or delegated to the authority.

Clause 7 sets out the powers of the authority, clause 8 provides for ministerial directions and clause 9 refers to membership of the authority, which will consist of not less than 8 and not more than 15 members. It will include the Secretary to the Department of Education, Employment and Training or a nominee and the chairperson of the Victorian Qualifications Authority or a nominee, and the remaining 6 to 13 members will be Governor in Council appointments nominated by the minister.

The opposition has some concern about that, but if the minister follows the legislation they will be people who have the relevant qualifications, experience and merit. I should like to think those placed on the authority will have good, sound educational qualifications and practical experience, that there will not be much theory floating around the authority and that its members know what is occurring in schools. It gave me some heart to read in the executive summary of the Kirby report:

> The focus of provision must be on the needs of young people, not the institutions.

It has been a long time since I have read an educational report that puts the needs of students ahead of all other needs.

Clause 10 sets out the terms and conditions of appointment of board members, and clause 19 repeals the Board of Studies Act. The opposition appreciates the work of the Board of Studies, which was established by the current opposition when in government in October 1993. I believe it replaced the Victorian Curriculum and Assessment Board, which was the product of the preceding government. It is another rebadging exercise, and that will probably continue ad infinitum as governments come and go.

Clause 20 sets out the transitional provisions, about which the opposition is not concerned. Clause 21 refers to the saving of existing board members — a person who held office as a member of the board or as the chairperson is deemed to hold office as a member of the authority. The government has gone to great pains to ensure a smooth transition from the board to the authority.

I turn to the Victorian Qualifications Authority Bill, the purpose of which is to set up the Victorian Qualifications Authority, which reconstitutes the State Training Board of Victoria as the Victorian Learning and Employment Skills Commission. Clause 3 sets out the definitions, about which the opposition has no cause for concern.

Part 2 of the Victorian Qualifications Authority Bill provides for the establishment of the authority. As I said earlier, the authority arises from recommendation 27 of the Kirby report, and the bill is a product of that recommendation. The Kirby panel recommended that:

> A Victorian Qualifications Authority be established to incorporate the accreditation, certification and quality assurance functions of the Victorian Board of Studies, the State Training Board and the Adult, Community and Further Education Board.

It further recommended that:

> The authority should have the responsibility to maintain the quality and public integrity of qualifications and their associated assessment arrangements, and the recognition of education and training outcomes.

That recommendation has been translated into the bill.

The objectives of the authority are threefold. The first is to develop and monitor standards for education and training normally undertaken in or designed to be undertaken in the years after year 10. I would have liked to have seen included in that objective the development and maintenance of high standards rather than just standards. However, that is neither here nor there; I am sure that will occur anyway.

The second objective of the authority is to ensure and support appropriate linkages between qualifications. The third is to facilitate procedures that will make it easier for people to re-enter education and training and acquire qualifications throughout their lives, which is an admirable objective. Society has come to the realisation that learning is now a lifelong process that does not occur through the formal years of schooling only. People of all ages now seek out schools, colleges and institutions to further their training, and they like to receive some recognition and qualification for that training.

Clause 6 sets out the functions of the authority, including to develop policies, criteria and standards for course accreditation, quality assurance of qualifications issued in accordance with the act, and the registration of courses, qualifications and education and training organisations. It will accredit and register courses and recognise qualifications, including those developed interstate and overseas. It will approve providers of accredited courses and persons who can issue recognised qualifications, and it will register those providers. Many providers, commonly known as private providers, come from outside the system, and it is essential that the courses those organisations produce meet the recognised standards.

The Victorian Qualifications Authority will also enter into arrangements with other agencies. One of the more important aspects of the authority is that it will promote and develop linkages between accredited courses and recognised qualifications and support articulation between those courses.

The authority will monitor patterns of participation by students in accredited courses or other education or training programs that lead to the issue of a recognised qualification, as well as monitoring the outcomes of those recognised education and training courses. As was the case with the Victorian Curriculum and Assessment Authority Bill, the Victorian Qualifications Authority provides for the performance of any other functions conferred on the authority.

One of the important functions of the authority is to consider advice from the Victorian Curriculum and Assessment Authority as well as the Adult, Community and Further Education Board and the Victorian Learning and Employment Skills Commission about courses, qualifications and vocational education and training. Important linkages are being created across the education sector.

Clause 9 provides that the authority will have between 10 and 15 members. The chair will be nominated by the minister and appointed by the Governor in Council. The Secretary to the Department of Education, Employment and Training will be extremely busy, because he or she or a nominee will also be a member of the board. The chairs of the Victorian Curriculum Assessment Authority, the Victorian Learning and Employment Skills Commission and the Adult, Community and Further Education Board or their nominees will also sit on the authority. That leaves 5 to 10 other positions for members who will be appointed by the Governor in Council and nominated by the minister.

I seek an assurance from the minister that the people nominated to the board will be well qualified and will have a lot of practical experience. Practical experience on those sorts of authorities cannot be beaten!

Part 3 of the bill sets out the special functions of the authority. I will not go into them in any great detail.

I turn to part 5, which deals with the Victorian Learning and Employment Skills Commission. As I said earlier, the commission will be established as a direct result of recommendation 29 of the Kirby report, which can be found on page 158. One of the reasons the Victorian Learning and Employment Skills Commission will come into being may have been that as a result of considering submissions the Kirby panel was surprised to discover that the current State Training Board of Victoria had a limited role that had unfortunately been circumscribed by legislation and that its authority to provide broad policy advice to government was unclear and poorly linked to research. The establishment of the commission will be a very positive move and can only enhance outcomes for Victoria's students.

Recommendation 29 of the Kirby report is a very short recommendation:

> The State Training Board should be restructured to form a Victorian Learning and Employment Skills Commission with a charter and functions outlined in this report.

The bill implements that recommendation. Clause 39 provides for the membership of the Victorian Learning and Employment Skills Commission. The chairperson is to be nominated by the Minister for Post Compulsory Education, Training and Employment — that is by Minister Kosky in the other place in this instance — and the chair of the Victorian Qualifications Authority will also be a member. That again shows that linkages are occurring across all education sectors. The chairperson of the Adult, Community and Further Education Board will be a member, as will the Secretary to the Department of Education, Employment and Training or his or her nominee. Five other members with industry experience will be appointed by the minister.

Transitional provisions are set out in clause 40. I note that the six current members of the State Training Board of Victoria will go out of office when that provision is proclaimed. I put on the record the opposition's appreciation of the work performed by not only the current members of the board but also members in days gone by.

I believe the State Training Board was a leader in the vocational education and training field, not just under this government but under all previous governments, and has performed its function extremely well. I wish the government every success in the implementation of the bills. These important measures will take today's students well and truly into the 21st century. The working world that they will participate in will be a vastly different one from the one we are experiencing today.

This is the penultimate day of the 2000 spring sittings of Parliament. I have previously thanked members of the Board of Studies, but I particularly recognise the contribution of Professor Sam Ball, who did a superb job as chairperson of the Board of Studies. More importantly, at this stage of the year I thank the people who really make our education system work — the teachers in our schools.

Over the past 12 months they have given an enormous amount of themselves in encouraging Victorian students in the pursuit of excellence. The opposition would also like to thank school councils, the people who govern our schools and educational institutions, generally in an advisory and non-paying capacity. Politicians do not often get the opportunity to thank en masse the large number of people who put a lot of their personal time and effort into our education system. I wish the government well with its educational reforms. I hope Victorians will soon see the positive benefits of the proposed legislation.

Hon. T. C. THEOPHANOUS (Jika Jika) — The government is very proud to introduce the two bills and believes it is sensible that they be debated together. They very much overlap and, as the previous speaker has indicated, it makes sense for them to be considered by the house at the same time.

The bills are a key part of the government's strategy in education. The Victorian Curriculum and Assessment Authority Bill and the Victorian Qualifications Authority Bill implement the government's election policy. They implement recommendations 27 and 28 of the ministerial review of post-compulsory education and training pathways in Victoria by doing a number of things. They include: firstly, establishing a new single qualifications authority, to be called the Victorian Qualifications Authority, for all post-compulsory qualifications; and secondly, reconstituting the Board of Studies as a curriculum and assessment authority for both compulsory and post-compulsory education. One can see from the purposes of the bills that they are very much linked.

The Victorian Curriculum and Assessment Authority will have the following main functions: to develop, approve and maintain the curriculum standards framework for the preparatory year to year 10 in schools; and to develop, approve and evaluate the curriculum and assessment arrangements for courses to be offered in schools. The courses will normally be undertaken in years 11 and 12 and will involve the Victorian certificate of education (VCE), VET in Schools — vocational education and training — and other post-compulsory accredited courses. The authority will also oversee the delivery of and conduct assessments for the VCE. It will be created as a body corporate with a minimum of 8 and a maximum of 15 members. I will refer to some of those issues and the composition of the authority later.

Before talking about other aspects of the two bills I want to make some general points. The first is that this government has placed education at the very top of its priorities. When it came to office there was low morale in our schools. The previous government had embarked on a policy which ultimately could have resulted in a division in schools between so-called self-governing schools and other schools, with one set of schools receiving a different funding structure and framework from that received by the other set of schools.

The turnaround to a single state system was done with minimum disruption and with the agreement of the self-governing schools and has resulted in Victorian education once again being put on track. Funding levels have increased, both in terms of the moneys that have been or will be made available to improve facilities in our schools, and funds will be made available on a recurrent basis to increase the number of teachers, to reduce class sizes and to improve the overall standard and quality of our education system.

Education is very much the way in which equity can be brought into our society and the way in which people from disadvantaged backgrounds have the opportunity to move forward in the world. One thing that has been important for me in this country, as has been the case for thousands of others like me, was that when my parents came to Australia their main desire was to educate their children. Both my parents worked in factories their entire lives, and we lived in the up-market area of Broadmeadows. Education was basically the key — it was the key to social ability, it was the key to making an impact, it was the key to progression — and it has always been thus. That is the fundamental reason why Labor governments, including the Bracks Labor government, have put education at the very centre of their priority.

Recently the Premier made announcements about real targets which will improve the levels of education of our children. One target is that by 2010, 90 per cent of young people in Victoria will complete year 12 or its equivalent. Reaching that target will once again bring Victoria to the very pinnacle of achievement with the education of our young children.

Another target is that by 2005 the percentage of young people aged 15 to 19 years in rural and regional Victoria engaged in education and training will increase by 6 per cent. That is another crucial element in developing our regional and rural communities and maintaining their dynamism and prosperity. I commend both ministers for the work that went into the bills and for the way they have handled the education portfolios, through both the Kirby report in the post-compulsory area and the exciting new ideas about the important pathways that give young people hope and somewhere to go, providing them with a future. *Public Education — The Next Generation* identified how to improve parameters such as retention rates in schools and the quality of teaching.

For a long time teachers have wanted to be involved in improving the standard and quality of education in Victoria, but they have felt ignored and that they were considered to be second class compared with other sectors in the education community. The Minister for Education has been keen to develop a career structure that will allow our best teachers to move forward and to play their part in educating our children. Again I commend the minister for the development of those new career paths for our teachers, which will bring considerable dynamism and enthusiasm into the state education system.

The government has continually emphasised that the Kirby committee was established to consider the 15 to 20 per cent of students on whom the previous government essentially had given up. The bills provide that the pathways for the majority of students will be more articulated and that options are opened up for them.

The implementation of the revised VCE will continue, and the government will ensure that the VCE standards are maintained. Under the new arrangements put in place by the bills the VCE schools will fit within a broader qualifications framework. As the Premier recently stated, that will ensure that the course and qualification needs of the entire Victorian community are met, and the standards and qualifications are at the highest level.

As I go around the state, not just in my role as chairperson of the review of school buses — which certainly keeps me busy — but in examining how the current government is dealing with issues such as languages other than English, multicultural education, English as a second language and a variety of other mainstream issues, a new enthusiasm appears to be emerging among people in our schools. Now they can get these students into the top courses and into universities and create successful students just as well as any of the so-called topnotch private schools.

That is to the benefit of us all because it brings within the reach of each and every mother and father in our community a future for their child no matter what their position or status in the social structure of our society.

I am quite excited about the bills. The Victorian Qualifications Authority Bill attempts to introduce what I call a dynamic set of relationships within the different boards that exist.

Hon. Bill Forwood — I hope it can achieve it!

Hon. T. C. THEOPHANOUS — I am confident that it will achieve it. The fact that reviews were undertaken and that the bill was a result of

recommendations of those reviews shows just how serious the government is about getting it right.

Over many years the Adult, Community and Further Education Board, the Board of Studies and the State Training Board of Victoria have all played a productive role, but in many ways they have been linked to particular sectors and have reinforced the traditional ways of approaching the development of curriculum assessment and shaping qualifications.

I do not want to criticise in any way the hard work of the members of those boards, and I emphasise that much excellent work was done, but there is nearly always a better way of doing something. Those who prepared the Kirby report, which was endorsed by the government, took the view that it was time to build on what was there and to introduce a more integrated and holistic set of arrangements to deliver a more integrated set of qualifications and pathways.

The Victorian Qualifications Authority Bill makes it clear that a key part of the functions of the Victorian Qualifications Authority (VQA) will address that aim. Clause 6(1)(g) provides that the functions of the authority include to:

> … promote and develop linkages between accredited courses and recognised qualifications and support articulation between those courses and courses in other sectors of education …

Those links are absolutely crucial but they have not always been there in the past. The government believes we can do better and the VQA will enable us to do so. As a result of the amalgamation of the boards I mentioned the VQA will perform its vital task.

In the past we have seen the occasional cross-referencing between boards, and that has been useful. An example is the scoring of the vocational education and training courses in the Victorian certificate of education. However, we have never focused on the issue as a central function.

The VQA will have significant powers. Fundamental to the legislation is the separation of curriculum and assessment on the one hand and accreditation on the other. That is a sensible distinction. The current Board of Studies will become the Victorian Curriculum and Assessment Authority (VCAA). The State Training Board will become the Victorian Learning and Employment Skills Commission (VLESC). It and the Adult, Community and Further Education Board will cede their accreditation, certification and registration powers to the Victorian Qualifications Authority. That will mean that the VQA will be the sole Victorian accreditation, certification and registration authority for qualifications from courses that involve or have a status comparable with or higher than courses normally undertaken in years 11 and 12. This includes courses normally conducted in schools, vocational education and training and further education. The bill will ensure that the VQA will not work in isolation by requiring the authority to consider advice from the Adult, Community and Further Education Board, the VCAA and the VLESC.

The establishment of the authority creates an historic opportunity for us to break new ground. It is part of what the government has described as a concept of lifelong learning. Increasingly we face the prospect that learning has become a lifelong endeavour. That has accelerated with the development of globalisation and information technology, which have made the world a very much smaller place in many ways. They have also changed the way we manage things such as our production and communications systems, and those changes require new qualifications and new learning.

The legislation introduces important changes that will better accommodate those changing needs in a time when learning throughout one's life is increasingly important. Qualifications from the different sectors of education will be better linked. The role of the Victorian Qualifications Authority in quality assurance will mean that people will be reassured that all accredited courses and recognised qualifications will be quality endorsed and recognised throughout the state and the nation.

People will move more easily between different education and training providers knowing that the course or part of a course they have completed at one venue will be counted at another and that they can continue the course at another time. That flexibility is important in the system and in the way the authority will work. We currently have a plethora of organisations that claim to have courses of all descriptions, and not all of them are accredited or linked. The VQA will have the capacity to link many of these courses in a way that will allow that flexibility and enable people to get credit for accredited courses as well as embark on new courses that are linked to the ones they have done.

It is important to recognise that a qualifications market is emerging at the post-compulsory level of education and training in Victoria. To date we have operated on the assumption that schools provide the VCE and TAFE institutes provide vocational qualifications, that there is no connection between those qualifications and

that the structures for accrediting and recognising them should remain separate. I do not think that can be justified any longer. With these reforms we will be able to establish the linkages and look at some of the many qualifications that are around. I give the example of company-based qualifications in the information technology industry such as those offered by Microsoft and Cisco. Those courses have a high degree of recognition.

We cannot assume that qualifications have sectoral or geographic boundaries. We must be able to find ways of enabling those well-recognised qualifications to be used as part of establishing a pathway for individuals to a future in whatever industry they have an interest. Without these initiatives we run the danger of continuing to have a plethora of qualifications with little connection between them. We need to establish the linkages between qualifications and parts of qualifications so that people taking these courses do not end up in educational dead ends.

A key reform made by the bill is the reconstitution of the State Training Board of Victoria as the Victorian Learning and Employment Skills Commission. For the information of honourable members, the State Training Board was established by the Vocational Education and Training Act in 1990 and was restructured to be a six-member board under the previous government.

The ministerial review of post-compulsory education and training pathways examined the current functions of the board and was surprised to discover that the State Training Board has a limited role and is circumscribed by its legislation. Its authority to provide broad policy advice to government was found to be unclear and it was poorly linked to research and other resources that would have strengthened its role. The review proposed that the board be elevated to a high-level learning and employment skills commission with a broad role in providing policy advice and direction on post-compulsory education, training and employment. The bill is designed to do just that.

It is not just a change of name; the bill gives the commission a number of functions including advising the minister about statewide planning for post-compulsory education, training and employment and about the emerging post-compulsory education and training requirements of government, industry, the community and individuals. It will also advise on planning for the integration of post-compulsory education and training and labour market programs. That is a crucial link this government has set as a high priority.

Another key function of the commission will be to support the local learning and employment networks of providers of and stakeholders in post-compulsory education, training and employment services. The networks will be established to provide better coordinated education and employment-related services. This is another initiative that should be welcomed by honourable members, especially those representing regional Victoria, because the networks are designed to establish those links.

I acknowledge that the opposition has given its support to the networks. Nothing is more crucial in some of our regional areas than to get the education providers from schools to tertiary institutions, local businesses, training and employment services, and group training businesses together to look in a coordinated way at the employment and education needs of the local area and to collaborate in delivering appropriate services at the local level. I know honourable members support that important initiative.

The VCAA will maintain the function of developing policies, criteria and standards for curriculum and assessment of students in the school-age years prep to year 12. It will provide advice to the VQA on the accreditation of any courses for students in the senior secondary years, whether they be at school or in other educational sectors.

The key stakeholders in education will continue to have direct access to decision making for the school curriculum through the VCAA, its working parties and reference groups. That will continue the longstanding tradition of its predecessor at the Board of Studies, the Victorian Curriculum and Assessment Board and the Victorian Institute of Secondary Education, together with academics, business, industry and community members, of providing the profession with the central role of developing detailed curriculum and assessing arrangements for Victorian students.

The government has chosen to have the VQA and the VCAA adopt interlocking membership. The statutory requirement for consultation and advice to move between the two in relation to any courses for students at years 11 and 12, and the common commitment to improve outcomes, will ensure productive relationships. The VCAA will have an enhanced role in focusing on the quality of curriculum and assessment development and delivery.

The VCAA will also continue to be operationally responsible for the Victorian certificate of education. The government understands that the VCE is an

internationally recognised end-of-school certificate that provides entry to universities worldwide. A component of the VCE — hard work — will not be jeopardised by the legislative changes and will even be enhanced.

The drafting of the bills has taken some time and follows a broad range of consultations. Two important reports have been released that form the basis for the development of the legislative changes. But the legislation is not simply about establishing authorities, boards or bodies to deal with our educational institutions but ultimately about students, and providing high-quality and accessible education to Victorians.

Anyone will be able to achieve the highest levels of education in the community as a result of achieving high-quality and high levels of academic excellence. That is something of which the government should rightly be proud. The initiatives have already been taken. I look forward to the achievement of the targets set out by the Premier. Educational opportunities will open up for a whole range of people in the community and consequently, with the establishment of the linkages to industry and business, employment opportunities will increase.

It is probably appropriate to tell the house that my son has just finished his VCE examinations. He, not I, managed to get through them!

Hon. Bill Forwood — Did you pass?

Hon. T. C. THEOPHANOUS — From his point of view, only just. I kept giving him advice before each examination. He got sick of it. Before he sat for his politics examination the last words I said to him were something like, 'Don't forget, Harry, verify or qualify', to which he said, 'Daaaad, leave me alone!'.

Hon. Bill Forwood — He got the numbers right.

Hon. T. C. THEOPHANOUS — That's right. On a serious note, all parents go through that and want the best for their children. They want to know that ultimately the school and the educational system will give their children the maximum opportunities within their capabilities and develop the children's abilities and capabilities in a way that gives them places in society.

I thank all the people involved in the development of the legislation. I congratulate the Minister for Post Compulsory Education, Training and Employment and the Minister for Education in the other place for their efforts and perseverance with the project. I thank the many thousands of dedicated teachers who will ultimately deliver an education and a future for our children.

Hon. E. J. POWELL (North Eastern) — I am pleased to respond on behalf of the National Party to the cognate debate on the Victorian Qualifications Authority Bill and the Victorian Curriculum and Assessment Authority Bill, which the National Party does not oppose. As has been said by other honourable members, both bills are to be debated concurrently, but I intend to speak first about one and then the other bill; otherwise the debate can become confusing.

The National Party was pleased to receive a briefing from the Department of Education, Employment and Training on the bills at which about six advisers attended. The National Party wanted to understand the full implications of the bills. The briefing became somewhat confusing when one person would talk about the new authorities, another would mention the composition of one bill, then the other bill, and then somebody else would speak about the first bill. So to minimise any chance of confusion I will deal with the bills separately.

The first bill is the Victorian Curriculum and Assessment Authority Bill. Its main purposes are to establish the Victorian Curriculum and Assessment Authority, to abolish the Board of Studies and to repeal the Board of Studies Act. The Board of Studies Act established the Board of Studies and repealed the Victorian Curriculum and Assessment Board Act. So we have gone almost the full circle with a couple of name changes.

The minister responsible for the bill is the Minister for Education. A number of discussions have been held about the way the recommendations came forward and the report that I will now refer to. It followed a ministerial review of post-compulsory education and training pathways in Victoria. The review was chaired by Mr Peter Kirby and the final report, now known as the Kirby report, was released in August last.

I put on the record that I was very impressed by the report. I congratulate not only the chairman of that review but also the review panel. The report goes into substantial issues concerning training pathways and the way the world of schools, training for work and the way education is viewed are changing, not just now but into the future. It looks at things such as school retention rates because it is important for governments of all types to ensure that young people remain in school and receive an education. It also looks at the transition from school to work, which is most important in ensuring

that young people who leave school in year 10 do not fall through the gaps. The Kirby report goes a long way to dealing with most of those issues.

Clause 9 of the Victorian Curriculum and Assessment Authority Bill provides that the membership of the authority must comprise not less than 8 and not more than 15 members, and that membership must include the secretary to the Department of Education, Employment and Training and the chairperson of the Victorian Qualifications Authority. All members other than the chairperson are to be appointed by the Governor in Council on the nomination of the minister.

Clause 5 sets out the objectives of the authority, which are:

(a) to develop high quality courses and curriculum and assessment products and services;

(b) to develop courses normally undertaken in, or designed to be undertaken in the school years 11 and 12 including courses leading to the issue of the VCE that will prepare students for successful transition to employment, tertiary education, vocational education and training and further education;

(c) provide linkages that will facilitate movement between those courses and other courses.

I am pleased that Mr Theophanous is still in the chamber because I want to say that I enjoyed his presentation. It was one of the most moderate presentations I have heard from him, and because I have to agree with much of what he said I was pleased. However, I take issue with one thing. Mr Theophanous said that the former government gave up on 15 per cent of students. That is totally incorrect. In the past few years the former government had looked at the issue of retention rates and work-to-school pathways and transitions and at ways to retain young people in schools.

One of the initiatives the former government funded was an organisation of which I was proud to be a part and which I chaired for three years. It is the Northern Industry Education Board, which has now been in existence for four years. Mr Theophanous was talking about how important it is these days to link education with work, training, adult education and further education, and that is exactly why the Northern Industry Education Board was set up.

About five or six years ago my community wondered why young people were leaving country Victoria to find work when there were so many industries throughout the Goulburn Valley. It was found that many of those young people did not know what was in those industries. If they worked at the Shepparton Preserving Company they thought it was a dead-end job because people just worked on the line. They were not able to understand that if one started to work there one could get a job in marketing, information technology, sales, trade and all those sorts of areas.

Members of the board spoke to a number of the schools. They talked to the career teachers about getting students out into the industries to see what was happening there and learn about career opportunities. As a group they worked with industries and education providers, sat them all down and said, ‘Okay these are our children. We do not want them to leave. How can we make them all work ready and value-add them to our many industries in the Goulburn Valley?’. Some great initiatives have come out of that. The board was set up because the community was concerned about its young people leaving, and in my area young people were leaving at a higher rate than anywhere else in the state. The former government took up that initiative from the community and funded it for three years.

It is acknowledged that some students do not do well in mainstream schooling, so the question remains: if young people leave at year 10, what do we do with them? We have to find out how to engage those people in education. The Kirby report talks about that. If one system does not work for a person how do we get something else to engage a response in that person so he or she is encouraged by learning and continues it? The Northern Industry Education Board looked at a number of those initiatives and worked with the service providers and the education providers on ways to ensure young people did not fall through the gaps.

Some suggestions were that perhaps the Victorian certificate of education (VCE) could be taken into the technical and further education (TAFE) colleges, where young boys in particular would see that it was not school, that they could do their VCE in TAFE, subsequently continue with training or go on to do whatever course they wanted, whether it be in marketing, an apprenticeship, sales or whatever. The Kirby report has also picked up on those initiatives. Some of the functions of the authority are to develop policies, criteria and standards for curriculum, and that includes courses that lead to recognised qualifications. It is also necessary to monitor the patterns of participation by school students in courses, including vocational education and training (VET) for school students, and the quality of those courses.

The VET programs have been doing particularly well in some of the schools in North Eastern Province and I

know there is an arrangement between many of the industries and schools of which all the participants are proud. The Northern Industry Education Board set up a pilot program that was called the food technology cadetship, which offered a combination of types of training. Students spent one day a week at the local TAFE where they completed a recognised training program. It could be in any of the apprenticeships but this one was on food technology.

Students completed their VCE studies. They did four days at school and one day at TAFE and then did part-time work at one of the industries. About 16 industries contributed to the program, which was very successful — so successful that two of the industries sponsored two young people through university scholarships. The only proviso was that during the university holidays the students were to come back to the industries and work, for which they received a school student wage.

The VET programs that were implemented by the former government and have been continued under this government have been very successful. Young people do their VCE at school, go into the TAFE system, work towards their qualifications and go on to the real world of work. The program has been so successful that it has now been expanded to include the engineering, hospitality and automotive industries.

One of the issues with hospitality — which is why the networks that the government will set will be so important — is that the schools were providing hospitality qualifications at level 2 and the hospitality industry was saying, 'Level 2 is not good enough; we need to have these students at level 4, otherwise we have to retrain them. They come to us and we have almost to change their whole viewpoint. Why don't you look at training them at level 4 so that when they come out they hit the ground running and will get jobs?'. Unfortunately there was some difficulty with that because the secondary schools had to do the courses at level 2. The board of which I was a member was able to convince one school to try hospitality at level 4 and it was highly successful. I know that was one of the programs that was looked at in depth.

Now schools are looking at how industries are working and how they can work in together with them. It is important not just to say, 'This is the way schools work', because if at the end of it children are to have a decent education and to go into further education, if that is their choice, or to go into employment, it must be ensured they are work ready. One way of doing that is to ask industries what they need from students and to change or design programs to reflect that.

The board found there is a skills shortage in country Victoria, particularly in the areas of manufacturing, welding, automotive electrics and related trade subjects. Under the Kirner government the trade schools were phased out. The former government did not reinstate them, so government now needs to look at how to deal with young people who want to learn a trade rather than follow a more academic course, particularly in country areas that are losing young people. Many industries are saying they will be short in the next decade of some of the trade skills they need, particularly in country areas, because it is very difficult to retain young people in the country. There is need to retain those young people rather than have them attracted elsewhere because for all sorts of reasons it is important for the state that its young people stay here.

I ask the minister to take on board the fact that some vocational education and training programs are not successful in some isolated rural towns because while the schools would love to run those programs, the industries are not there to provide the necessary support. Some larger towns have many industries that want to support young people. They open up their doors to them and say, 'We would like to have you as an apprentice or on work experience, or to just come in for a couple of weeks to see what the job is like'. However, isolated areas do not have that capacity and therefore some rural students miss out. The government needs to look at that and come up with some initiatives to ensure young people in isolated towns are not disadvantaged.

Clause 17 provides that the Victorian Curriculum and Assessment Authority must establish and maintain a fund made up of investment income received by the authority, proceeds of the sale of any investment, and fees or any other money received by the VCAA. At the briefing the departmental staff said the money in the fund would be used for many things. Members of the National Party thought a good use of it would be to promote and encourage international students to attend Victorian schools so that our students can learn about what is going on in other countries and links can be formed with them. In addition, international students who come here to study — and our students who travel to other countries as part of exchange programs — help young people to interact much better and learn about tolerance and other cultures.

Members of the National Party were also told by the departmental officers that the current members of the

Board of Studies will stay on until their term expires on 31 December this year.

The Victorian Qualifications Authority Bill comes under the responsibility of the Minister for Post Compulsory Education, Training and Employment in the other place. The main purpose of the bill is to establish the Victorian Qualifications Authority as a body corporate to be responsible for the accreditation and certification of all post-compulsory education and training in Victoria, with the exception of higher education. The VQA will also be responsible for ensuring the quality of post-compulsory education and training. It will be the only accreditation, certification and registration authority in Victoria for qualifications that involve or have a higher status to courses normally undertaken in years 11 and 12, the Victorian certificate of education, vocational education and training and further education. It will assume the accreditation and registration functions of the State Training Board of Victoria and the Adult, Community and Further Education Board. The bill also amends the Vocational Education and Training Act to rename the State Training Board as the Victorian Learning Employment and Skills Commission.

As I said, the bill has been introduced in response to the Kirby report. I note that there were two other reports, but I refer mainly to the Kirby report because its recommendations have led to the introduction of the two bills honourable members are debating today.

The Honourable Andrew Brideson spoke about the former government's commitment to flexibility in our schools and to the ongoing commitment to young people in the pathways from school to training and then to work. I am pleased that the government has accepted the recommendations of the Kirby report and is continuing the good and important work done by the previous government.

As I said, our young people must have more flexibility provided to them in education after year 10. It cannot be a one-size-fits-all system. Mr Brideson spoke about teachers. It is important to understand that no matter what changes are made in schools, teachers are given an added workload. During the time I chaired the Northern Industry Education Board (NIEB) I spoke to many teachers about their added workload. While they were supportive of the VET programs in schools, those programs added another burden. Sometimes we also expect teachers to do the traditional work of parents and counsellors because young people are not getting the advice or values that usually are available at home. I join with Mr Brideson in giving the National Party's support and commendation to Victorian teachers because they do a fantastic job.

Honourable members must realise that decisions made in this house impact strongly on teachers' workloads. The work done by teachers must be understood and valued. Changes to legislation add to expenses and the burden on teachers. Many of them do not mind because their main aim is to ensure that children get the best education they can.

Over the many years I have spoken with teachers, I have found that they may not understand how important they are to young people, including in moulding their lives. I have often heard young people comment that they are where they are today because a teacher either believed in them — which is a good and positive outcome — or that a teacher told them they would never amount to anything and they did what they did in spite of that teacher.

At the departmental briefing members of the National Party asked whether any changes would be made to the registered training organisations (RTOs). The advice was that those registered training organisations that have been assessed and accredited, including the TAFE colleges, the apprenticeship accreditation training and all those now accredited with training, will automatically transfer over.

Workplace accreditation is one of the areas that is doing great work in country Victoria. For example, I refer to accreditation for dairy farmers, where dairy farmers have been assessed, done the training and are now accredited. Such a dairy farmer can now train his or her son or daughter to be a dairy farmer with all the necessary accreditation and to do all the other courses that farmers need today, such as those in land management, artificial insemination, and chemicals. They are able to learn on their farms, which is important because they are of value to the person who runs the farm and, more importantly, they are able to gain the added skills and experience they need.

I refer also to garages and automotive workshops and the high-technology equipment that is needed in that field. Some TAFE colleges and RTOs cannot afford such equipment. As technology is changing all the time, it is important that larger organisations, such as automotive workshops, can be accredited so that students at TAFE colleges can go there after hours to train on some of the most up-to-date technological equipment.

The Kirby report also recognises the importance of young people under 18 continuing their VCE studies

while doing an apprenticeship. That is important for those young people who like the job they are doing for work experience, and where the owner of the business says, 'We would like to put you on'. The young person may be only in year 10 but he or she can start on his or her apprenticeship and finish VCE, whether it be after hours or by correspondence.

The system must not be inflexible and must be addressed on an issue-by-issue basis. Given how the world is changing, all such issues must all be considered now. Young people should be able to work in jobs and to finish their VCE or any other accreditation studies.

The bill also establishes the Victorian Learning Employment and Skills Commission. As I said, it will make it easier for people to re-enter courses leading to qualifications at different stages of their lives. The commission will support from 10 to 14 local learning and employment networks (LLENs) around Victoria. During the following year between 30 and 35 local learning networks will be established.

I was proud that the Kirby report received advice from the Northern Industry Education Board and that the new networks are based on the NIEB model. The board made a submission to the Kirby inquiry and raised a number of issues. I am pleased that the NIEB model will be used as the basis for the local learning networks throughout Victoria. NIEB was established in 1995 to represent four municipalities and comprised representatives from education, industry, local government and training.

About 12 months ago NIEB's funds ran out, but it has continued its work in a voluntary capacity. I led a deputation that was to meet with the Minister for Education and the Minister for Post Compulsory Education, Training and Employment to discuss what the board was doing and to seek funding for a further three years. After changing the appointment a number of times to fit in with the requirements of both ministers, I was disappointed to find when we arrived for the meeting at 8.30 a.m. that both ministers were not available and that we were meeting with advisers. The deputation comprised the chairman of the NIEB, Gavyn Anderson; the chairman of Shepparton Preserving Company, Jeff Martin, representing industry; a principal of one of the secondary colleges, Morris Sleep; a representative from the community, Eric Lund; and the executive officer, Phil Brown. The members of the deputation were extremely disappointed they were not able to meet with the ministers and no explanation was given for that. After spending about an hour and a half explaining to the advisers the functions of the board, why it needed funding and producing 16 letters of support from the community — we could have doubled that if we had more time — we were told to put what we wanted in writing. That was inappropriate. The deputation was 12 months ago and we still have not been notified about our funding application. The NIEB has continued its work but it is hoping something will happen soon.

I understand the NIEB will submit it should become one of the networks representing the Goulburn Valley. I hope its application is considered favourably. Mr Eric Lund has done a lot of work talking to the local community. A public meeting was held on 16 November at which about 50 people attended from across the community, representing industry, local government and education, totally supporting the work of the board and endorsing its application to be a local network. If the submission is successful the network will be called the Goulburn Valley food bowl LLEN. I hope the good work that the NIEB has been doing over the past five years can be carried forward as a learning network for other networks, because the board members have a lot of experience and support from industry, education and local government.

The bills are in response to recommendations from the ministerial review of post-compulsory education and training pathways, known as the Kirby report. A large number of submissions were received from interested people, education providers and organisations. I am pleased to note the large number of submissions that were received by Mr Kirby, which indicates how widely he has consulted, and I congratulate him for that.

I was pleased at the large number of submissions he received from country Victoria, including nine from my electorate. Submissions were received from the Loddon Campaspe Mallee Adult Community and Further Education Council; the NIEB; the Wodonga Institute of TAFE; the Goulburn Ovens Institute of TAFE; The Centre, Wangaratta; the principal, Wodonga High School; the assistant principal, senior school, Wodonga High School; the Goulburn Murray vocational education cluster; the Wanganui Park Secondary College, Shepparton; and the mayor of the Shire of Campaspe.

I am pleased with the strong country focus in the recommendations and in the bills. I have much pleasure in indicating that the National Party does not oppose the bills.

Hon. E. C. CARBINES (Geelong) — I am pleased to support the Victorian Curriculum and Assessment Authority Bill and the Victorian Qualifications Authority Bill. In doing so, I thank the Minister for Education, the Honourable Mary Delahunty, and the Minister for Post Compulsory Education, Training and Employment, the Honourable Lynne Kosky. The two bills further the Bracks government's commitment to ensure education has the highest priority in our state.

Having been a secondary school teacher in the state education system in four different secondary colleges over some 20 years prior to becoming a member of this place, I have a keen interest in state education. I am a proud supporter of the system, having been educated at state schools both in England and in Australia and I demonstrate my commitment to the state education system by sending my children to our local primary school, Bellaire Primary School. Next year when my daughter commences her secondary school years she will be in year 7 at Matthew Flinders Girls Secondary College in Geelong. I look forward to her being educated at one of Geelong's great secondary colleges.

Like Mr Theophanous I also believe education is the key to advancement in life. It is important that Victoria has excellent state schools so that ordinary people with children have access to an excellent quality of education, because through the education they receive in our state schools they can improve their lives. It should be something all of us seek.

As a former secondary school teacher I have experienced teaching at every year level in secondary schools, from year 7 through to year 12. I have taught a language other than English — French — English and history. Over my 20 years of teaching I found it a challenging, dynamic and a satisfying and rewarding career. I thoroughly enjoyed my career as a secondary teacher. I have taught thousands of young Victorians and I love meeting them as they go about their lives. Some of my first students are now entering their late thirties or early forties and it is terrific to see what they have done with their lives. I really love to see how they have progressed and I keep in contact with a number of my former students.

Upon returning to teaching in 1995, having been on family leave since 1989, I was disappointed to see the change in education under the administration of the former Kennett government and the impact it was having on our state schools. When I resumed teaching at the South Barwon Secondary College and then Barton College campus of Western Heights College and later Corio Community College morale was low at all those schools. South Barwon Secondary College was closed, as were some 300 schools across the state. Some 9000 teachers were removed from the education department and class sizes increased significantly. My children started their primary education under the Kennett era so I noted that my daughter and son were in large classes and, in fact, my son's class last year grew to 35 students.

This year my son is in a class of 25. There must be educational benefits in being in a smaller sized class. Not only were classes increased under the Kennett government, but as funding was decreased to state schools many had to impose very heavy fees on parents to supplement their budgets. For the first time Bellaire Primary School introduced a fee for children being educated there.

Under the Kennett government I was transferred three times in two years, and it is very distressing to have to repeatedly pack your bags and start again. However, in 1997 I was lucky to have been sent to Corio Community College, because it was a school at which I particularly enjoyed teaching. At the college I taught Victorian certificate of education (VCE) English and history to year 11 and 12 students. I taught five classes of VCE each year. People who have not taught VCE would not understand the incredible workload involved in teaching a VCE class, and certainly teaching five classes, as teachers do at senior colleges, is hugely demanding. It was especially demanding because three of the five classes were English classes, and because everyone studies English during their VCE the classes were large. It was a difficult and huge responsibility to cater for the needs of students in those classes.

Mr Theophanous talked about his son who has just completed his VCE year. I am sure anyone in the chamber who has had a child go through VCE will attest to how difficult it is to progress a child through those years. A great deal is at stake, particularly in year 12.

Teachers work very hard to maximise the success of the students for whom they are responsible. The Honourable Jeanette Powell talked about teachers who not only teach VCE but teach vocational education and training (VET) as well. I have had a great deal of experience in teaching VET courses at Corio Community College, because not only did I have year 11 and 12 students completing units 1 to 4 of the VCE in my English classes, I was also teaching students studying VET courses. Those courses were in areas such as hospitality, automotive, sports administration, music performance and engineering, to

name a few. Corio Community College is a leader in VET provision in Geelong. It provides many courses in conjunction with the Gordon Institute of TAFE in Geelong.

As the Honourable Jeanette Powell alluded to, we should never forget the workload that VET imposes on teachers. It was certainly my experience that VET is an incredible burden on teachers trying to teach the VCE and VET courses. In one of my years at Corio Community College when teaching year 11 English I had a class of about 25 students all studying units 1 and 2 English, and in that class of 25 I also had students completing nine different VET courses. It was amazing to have to try to administer the English part of the VET courses to those students. It was a bureaucratic nightmare to keep on top of all of their records and to make sure they were addressing and completing the modules for their VET courses. That year was my record in that I had students studying nine different courses for one year of VET.

The VET component of the curriculum has grown enormously over the past few years. In 1996 there were approximately 4500 students in Victoria undertaking VET courses in secondary schools. This year some 18 800 students are undertaking VET courses in the VCE year, and next year the figure is expected to be 22 000 students. The Bracks government is pleased to facilitate the growth and take-up of VET courses by Victorian students, because when they complete their VCE, as well as obtaining a VCE qualification, those doing VET courses will also end up with a VET qualification. They will have a dual qualification at the end of their VCE, which means their qualifications will be more flexible. They will be well set up for entering other courses or for obtaining employment.

The Bracks government has set positive targets to lift the retention rates in secondary schools, which fell by a disastrous 10 per cent during the seven years of the Kennett government. The government has set a target of a 90 per cent retention rate by 2010. I congratulate the government on having the courage to tackle the falling retention rates that occurred under the previous government. The Geelong Province area that I represent has seen a dramatic drop in retention rates over the past few years. I commend the government for tackling this issue because ensuring more young people stay on at school until year 12 will lead to positive education and employment outcomes for those young people.

The Victorian Qualifications Authority Bill fulfils an election promise of the Bracks government to bring together all of the qualifications on offer in Victoria under one authority. It is a direct outcome of the Kirby report, which has been favourably received across the state. The purpose of the Victorian Qualifications Authority is to ensure that appropriate standards and criteria for recognition are in place so that everything that is accredited in Victoria meets the required standards and is consistent with national standards.

A particular focus of the Victorian Qualifications Authority will be the establishment of links between qualifications and to show how they can be accessed at different entry points. That is important because more Victorians are seeking to re-enter learning environments at different stages in their lives. No longer is learning regarded as having finished by the age of 15 years or perhaps 17 if one finishes year 12. My experience at Corio Community College was that mature age students were approaching the school about studying for the VCE because they saw the VCE qualification as being advantageous in improving their lot in life.

I had some fantastic mature age students in my classes at Corio Community College. A married couple decided to return to education. The man was unemployed and in his late 30s. He was finding it hard to get a job and decided that rather than stay on unemployment benefits indefinitely, he would try to do something positive about his life. He decided to go back to school to do his VCE, as did his wife. He entered my year 11 class, completed year 11 English and then went on to complete year 12, as did his wife. They both went on to university because they did so well, and they are probably just finishing their second year at university. It was fantastic to see those people take hold of their lives and make a career choice to advance themselves through the Corio Community College.

I also had another girl who was a second-year student at Deakin University. Although she was studying for a science degree, she decided that science was not her area of interest, so she enrolled in year 12 again at Corio Community College. She chose a completely different set of subjects from those she chose when she did her previous VCE year at another school. She did extremely well — so well that her score enabled her to study for a law degree at Deakin University. I met up with her recently, and she is loving her new course.

Another mature age student at Corio Community College who had done well enough in his VCE exams to get into a nursing course at Deakin University came back to do his VCE again because he had decided he wanted to become a doctor. He chose different subjects,

worked very hard and gained a high enough equivalent national tertiary entrance rank, or ENTER, score to study medicine at Monash University.

It is important that people have the opportunity to re-enter the learning environment. Society has changed. People no longer see themselves as set up in one job for the rest of their lives. We must make sure that our educational institutions are flexible enough to deal with people's changing situations so that the courses they offer are accessible to people at different stages in their lives.

The Victorian Qualifications Authority will take over the accreditation, certification, registration and recognition functions of the State Training Board, the Board of Studies and the Adult Community and Further Education Board. The bill also amends the Vocational Education and Training Act of 1990 to reconstitute the State Training Board as the Victorian Learning and Employment Skills Commission.

Apart from the powers ceded to the Victorian Qualifications Authority, the new Victorian Learning and Employment Skills Commission will have several aims. It will have strong links to the Australian National Training Authority. It will advise the government on education, training and employment and will relate to the local learning and employment networks.

There is much interest in Geelong about the establishment of the local learning and employment networks. I have received a lot of communication and correspondence from educational providers in Geelong who are keen to get on board and play a role in the local learning and employment networks.

The Victorian Learning and Employment Skills Commission will have strong links to industry. It is important that those links that are already in place are not only maintained but also improved. It is vital that industry has and is encouraged to play a role in the state education system.

The Victorian Curriculum and Assessment Authority Bill establishes the Victorian Curriculum and Assessment Authority. The authority, which will replace the Board of Studies, will have the following functions. It will develop, approve and maintain the curriculum standards framework from prep through to year 10. It will also develop, approve and evaluate the curriculum assessment arrangements for courses to be undertaken in years 11 and 12. They include the VCE, vocational education and training, and other post-compulsory education courses.

It will also provide linkages that facilitate movements between courses. It is important that those linkages are not only maintained but also facilitated and improved. In that way the Victorian Curriculum and Assessment Authority will ensure that the quality of school education will continue to improve.

As one of the members for Geelong Province I have received positive feedback from education providers on the Kirby review and the *Public Education — The Next Generation* review, which were conducted this year. In June or July I attended a public forum in Geelong that was held as part of the PENG review. It was good to see so many parents, teachers, school counsellors, school council presidents, principals and students take the opportunity to express their views on state education. It was a cold, windy and rainy night in the middle of winter in Geelong, yet many people took the opportunity afforded by Minister Delahunty to have a say on state education. I have to say it did not surprise me to see so many people there. I know from my work in the state education system that it brings together many dedicated people — teachers, support staff and parents — who are committed to the education of Victoria's young people.

I commend everyone involved in state education on their fine work, and assure them they are all highly valued by the Bracks government. I know from my time in state education that teachers make a real difference in the lives of our young people. Often teachers and schools are the only consistent thing in some young people's lives. I thank the teachers for their commitment and the opportunities they afford so many young Victorians.

The two bills seek to enhance education in Victoria. I commend the ministers for their foresight, their vision and their commitment to our young people. I commend the bills to the house.

VICTORIAN CURRICULUM AND ASSESSMENT AUTHORITY BILL

Second reading

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 those honourable members who contributed to the debate. I appreciate Mr Brideson's expression of the opposition's support for the bill and his comments in wishing the government success with the legislation.

Mr Brideson sought assurances on clause 9 of each bill, both of which deal with the membership of the various authorities. The government will want to ensure that the members of the authorities have the expertise and experience that is needed to enable the authorities to perform their important functions.

I also note the comments of the Honourable Jeanette Powell, who said there is a need to ensure that young people living in isolated rural towns where there are limited job opportunities are not disadvantaged in the vocational education and training or VET in Schools program. I also thank her for her and the National Party's support for the bills.

Again, I thank the government members — the Honourable Theo Theophanous and the Honourable Elaine Carbines — for their contributions to the debate. I also thank the officers from the department, including the advisers, for their assistance in contributing to the briefings and the passage of the bill.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

VICTORIAN QUALIFICATIONS AUTHORITY BILL

Second reading

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 repeat the comments I made in relation to the previous bill.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

SUPERANNUATION ACTS (BENEFICIARY CHOICE) BILL

Second reading

Debate resumed from 23 November; motion of Hon. M. M. GOULD (Minister for Industrial Relations).

Hon. D. McL. DAVIS (East Yarra) — It is with pleasure that I contribute to debate on the Superannuation Acts (Beneficiary Choice) Bill. I shall make a number of introductory comments before I move to the detail of the bill. The opposition does not oppose the bill, and a number of points of principle in it have considerable merit.

The legislation picks up a number of concepts introduced by the last government, concepts to which former Treasurer Stockdale gave serious consideration and began to act upon in June 1999. It is worth placing it in the context of superannuation more broadly, in particular state superannuation, and in placing it in that context to note the changing nature of superannuation and its importance to the community generally.

One should be clear about some superannuation principles that would have support from both sides of the house. Firstly, there should be certainty with superannuation so that people who invest in it or have employers make contributions have certainty and predictability. For too long in this area there have been constant changes that have introduced elements of uncertainty and have led to people being less willing to invest in their future and less willing to set aside the required contributions to ensure they have a comfortable old age and retirement.

A joint parliamentary committee of which I was a member in the last Parliament, the Family and Community Development Committee, had a reference known as 'Planning for positive ageing' that led to it examining extensively, in a bipartisan manner, the impacts changing demographics would have on the financial obligations of the state. It is clear that as the population profile becomes older and as the number of people in the older cohorts of the population increase the demands on government will increase commensurately.

The fastest growing segment of the Victorian population is the old old, those aged over 85 years, which is one end of the spectrum, but at the same time

the inquiry taught us that there are many people in their late fifties, sixties and seventies who may have retired from formal employment in the traditional sense but are able to contribute to society in constructive and productive ways. Those contributions are facilitated by the financial security that comes from people having made adequate financial provision at an earlier point in their lives. That adequate provision has until recently been piecemeal and patchy across the work force.

There is bipartisan support and an accepted need to ensure that that provision is undertaken in the broadest sense and in a way that means all Australians and all Victorians are covered and able to retire at an appropriate time with dignity and that they can enjoy a standard of living that gives them options and choices in their retirement.

With that said and having that as a background, it is important to look at the bill as a step towards ensuring that those outcomes will be achieved. It is crucial that there be consistency in government policy so far as is possible in this area and that the government map out in as much detail as possible a bipartisan position on these issues so that that consistency is ensured across different governments and over a lengthy period. I note that the early days of this program were conceived in the Stockdale era. It was designed to ensure outcomes that are favourable both for the community and for the beneficiaries of the various state superannuation defined benefits schemes.

There is an important interplay between the federal government and state governments in this area. The schemes we are talking about today are essentially state schemes that exist within the context of the commonwealth legislation. It is important to note that there has been an ongoing dialogue — sometimes a robust dialogue — between the commonwealth and the state governments on these matters as state governments, in particular in the early and mid-1990s, sought to manage their liabilities. It is a hangover from the 1970s, 1960s and 1950s when there were significant unfunded liabilities. I will comment about the extent of those unfunded liabilities.

It is important to place these issues in the longer term context that over many years defined benefit schemes outlined precise benefits that were funded directly out of consolidated revenue rather than out of accumulated contributions by the beneficiaries and the state government under some clear formula. That approach ended in Victoria in early 1993, but there are many beneficiaries who still fit into the older schemes and to whom the community has an obligation. A key aspect of superannuation is certainty of delivery — the obligation to keep commitments and deliver on them to people who have partaken in the schemes or been involved in savings programs, which, in essence, is what superannuation is. That certainty must be there. People must get what they are entitled to receive and it must be delivered in a fair and equitable way.

This program has significant merit, and the opposition does not oppose it. The aim is to offer greater choice to beneficiaries, and it is important to realise that the beneficiaries of the schemes are under no compulsion to make decisions — they are able to make judgments that are in their own interests.

I note the government has decided to fund a number of programs to ensure adequate advice is provided to people. We believe that is an important part of the programs. The opposition appreciates the information that was communicated to it at the briefings on the proposed legislation. A point made by a number of people is that it is important that information sessions or free financial advice is structured in such a way that people can fully and adequately explore their particular financial positions and make informed and intelligent judgments about their own futures that will place them in a position to enjoy retirement or enable them to change their programs to meet their needs and interests.

The fact that a program may be in the interests of a beneficiary does not mean the changes to the program and the options exercised by certain beneficiaries are not also in the interests of the Victorian community.

One key aspect is that the bill will reduce the state's financial obligations and unfunded liabilities. On most occasions, not all, when lump sum payments are made — which is what this program aims to do for a certain class of beneficiaries — the net payout by the trustees of the funds will be less than it would be if it were paid in the form of ongoing pensions or continuing entitlements.

Hon. M. M. Gould interjected.

Hon. D. McL. DAVIS — Exactly. As the Leader of the Government is demonstrating, the payment of ongoing pensions is a very expensive process, given the fact that so many members of the community — in a very welcome development — are living much longer than would ever have been envisaged in the early days when the schemes were originally established. Back in the 1950s or 1960s nobody would have expected that the extent of payments being made to some beneficiaries of the schemes following their period of service to the Victorian community would be as great as it turned out to be.

I turn to the *1999–2000 Financial Report for the State of Victoria* to put the bill in a general context. Page 27 of that report tabled approximately two weeks ago states:

> Total state liabilities increased —
>
> in 1999–2000 —
>
> by $403 million or 1 per cent to $41 745 million as at 30 June 2000. The majority of this increase was attributable to superannuation … and the state's insurance and other liabilities … offset by a decline in borrowings …

A key aspect of the state's liabilities are the unfunded liabilities which the program that originated in its first incarnation during Treasurer Stockdale's days was in essence aimed to tackle. Page 29 further states:

> The unfunded superannuation liabilities of the Victorian public sector increased by $850 million or 7.4 per cent during 1999–2000 from $11 516 million to $12 366 million.

It is worth placing on the record that those superannuation liabilities increased marginally faster than state growth. That is a significant increase in liabilities, nonetheless, and although some of it resulted from actuarial corrections and changes, it is a significant ongoing liability of some importance.

I note that the superannuation liability has dropped considerably since the early 1990s, as I am sure the Honourable Roger Hallam will tell honourable members in due course, although it increased briefly during a period of buy-out by the previous government.

Chart 1.15 on page 30 of the report summarises unfunded superannuation liabilities over the past half decade or so and makes it clear the fall in the unfunded superannuation liabilities that occurred during much of the 1990s has flattened out over the past 12 months. Where possible, the government needs to move responsibly towards a situation in which the unfunded superannuation liabilities are brought steadily down, the future obligations of the government are adequately met and suitable provision is made to pay out the government's obligations for the pay-as-you-go superannuation schemes as they begin to taper off into the future, rather than relying on recurrent funding. Nonetheless, significant liabilities remain and more work is needed, and in that context the proposed scheme is very welcome.

I note also that according to the 1999–2000 financial report, the State Superannuation Fund is the most significant source of unfunded liabilities, accounting for 99 per cent of the state's total superannuation liabilities. I note also that the bill goes at least part of the way to meeting a government election promise. It is unclear how many beneficiaries will take up the option to commute their entitlements, but in due course we will see what the rate of uptake is. I say by way of comment rather than caution that the government needs to be prepared for a higher take-up rate than it had planned. The sorts of programs proposed are often unpredictable and if that is kept in mind as the programs are developed they are likely to be in a more secure position.

The State Superannuation Fund administers the funds from superannuation schemes in many areas in the emergency services sector. Very few other defined benefits schemes still exist. I understand that judges and members of Parliament are the only other groups with such schemes, although I stand to be corrected on that. According to my information, the number of people affected by the bill includes about 54 000 pensioners, a number of deferred beneficiaries — perhaps towards 200 000 members — and beneficiaries of the state's remaining public sector superannuation schemes that fit the description.

Returning to my earlier comments about the interplay of superannuation between the states and the commonwealth, I indicate that the opposition has been informed — I trust correctly — that the one-off option fits within the commonwealth schemes. Notwithstanding that, there is always a need to ensure that states undertake such arrangements responsibly within both the letter and spirit of the commonwealth law. It is important that there is seen to be no untoward cost shifting between jurisdictions in that regard.

While I understand that the Australian Taxation Office has made it clear that the scheme fits clearly within the law, it could be argued that in some respects Victoria may be taking a step — which other states have taken — to its own advantage. Victoria is entitled to take that advantage, but it needs to take it in a cautious manner.

Disability pensioners are an important group and it is important that they are well looked after under superannuation arrangements. I note that a series of programs was established through the 1990s and that a number of disability pensioners made a series of choices at that time which have proved through various legal and other actions to lead to outcomes that are less favourable for some than others. Questions of equity have arisen about the treatment of various beneficiaries who have adopted different options.

Let me be clear about what I am referring to here. As I understand it from information provided to the Liberal Party committee on this issue, which has been

confirmed from a number of other sources, what occurred is that over a period a number of public servants and state employees were unable to continue in their work due to various disabilities, and at certain points judgments were made by their employers in the various departments — particularly, in this case, the former Department of Education — that they were unable to undertake their normal work under the normal arrangements.

At that point decisions were often made to offer such people a retraining option. A number of people undertook 12-month courses or the like conducted by the department. The courses were later found by the Victorian Civil and Administrative Tribunal (VCAT) to be unsatisfactory in a number of ways and to not provide the options and future choices many of the people had hoped to have found on completing them. Three groups emerged: those who were given full disability pensions; those who, when confronted with training options, had opted for ill-health benefits; and a third group comprising those who had gone through the various training programs but who often had not found suitable employment options on completing them.

As I understand the decision, the VCAT has restored a number of those people to the full disability benefit arrangements. It is important that other groups in the system are also restored to the full disability benefit arrangements, and this bill is a useful step towards achieving that.

Picking up a theme I commented on earlier, I indicate that it is important that in this area there is certainty and predictability so that people are genuinely able to plan their future arrangements with the knowledge and certainty that fair decisions will be made and will be followed through. If that sort of principle is the test here, it is likely that the VCAT has made a decision that is more just than not. If it has made such a decision it behoves Parliament to respect its decision and to allow the arrangements to stand and to say to those people who may not have had satisfactory outcomes that the bill will go one step towards ensuring equity in the system so they will have fair outcomes.

Notwithstanding that, while superannuation systems need to be fair and predictable they also need to be financially responsible — and that should always be kept in the backs of our minds. It is important to place on the record that departmental administrators who are involved in offering employment options and trustees and others administering the schemes have undertaken in good faith the administrative steps that are designed to manage the schemes fairly, equitably, and in a financially responsible way. It also behoves the house to focus strongly on supporting those who administer the schemes and who have the future of so many people at their fingertips to ensure they act responsibly and leave no opening for financial weakness or lack of discipline in management.

I note that the bill picks up a number of members of Parliament who have moved from scheme to scheme. As I understand it, for a number of years the rule has been that those who were in one area of the public sector could move to another sector without their superannuation entitlements being completely disturbed. However, that has not applied to members of Parliament. When honourable members who have been, for example, teachers or policeman — as was the case with several former members — have come to Parliament that hiatus has worked significantly to their detriment, even though they may have later returned to the earlier schemes of which they had been members. It makes good sense that all honourable members who are involved in these schemes and who have had other public sector jobs of one type or another are treated equitably and reasonably.

It is important to place on the record the contribution of Alan Stockdale and others who over a period managed some of the state's obligations in this area. The Honourable Roger Hallam also played no small part in managing these issues over a lengthy period. Over the next few years we must ensure that Victoria's obligations are reduced to a minimum so that the state is in the strongest possible position. There is no doubt that Victoria is now in a much better position than it was, but we should not underestimate the need to keep considerable pressure on reducing unfunded liabilities and other liabilities beyond superannuation over the long haul. We should not sit on our hands in that regard.

It is important that Victoria push forward. This bill, which the opposition does not oppose, is a significant step in that direction. I will be interested to see the uptake of the options and the beneficial choices offered to people with the scheme being administered fairly and equitably and learning of the ultimate impact on the state's unfunded liabilities over the coming period.

Hon. R. M. HALLAM (Western) — The National Party supports the Superannuation Acts (Beneficiary Choice) Bill on the ground that it represents a win–win outcome, which is something of a rarity in politics.

It is a win for the members, the pensioners and the deferred beneficiaries of the State Superannuation Fund, in that it gives them a greater choice of options, yet it is a win for the public purse because those options

can be offered without additional cost. It may even be that the offers could lead to a marginal reduction in the cost of the scheme and may even directly accelerate the remedial strategy directed at unfunded superannuation liabilities, which have been a bogey of this state for some years.

I will spend a moment or two on the background of superannuation to explain the importance of the bill. As a concept superannuation has been around for many years. In its stripped-down form it is simply a mechanism for enforcing savings over the working life of a fund member directed towards provision for the retirement of that member.

One of the first refinements of the stripped-down concept was the emergence of employer contributions. It became common for employers to sweeten an employment package by contributing to those savings. When I started in business being admitted to the firm's superannuation scheme was a sign that one had made it in the world. It was an indication of employment security and of employer satisfaction with the employment contract.

Strangely, in the years that have passed in the interim, the boot has gone onto the other foot because if there is any discretion in respect of those superannuation contracts now it is with the employee and it is the employer who is required to meet a substantial cost of the retirement benefit — and indeed the employer's contribution is now prescribed under commonwealth legislation. My point is that the concept has been evolving and has been around for many years. There have been a number of complications with that evolution, most of which relate to the application of the tax law to some complicated circumstances. Leaving that to one side, there has been one other major complication in a conceptual sense, which arose as a direct result of inflation.

The double-digit inflation everyone came to expect in the heady 1980s had a major impact in that it progressively eroded the value of savings. It taught a whole generation of Australians that it was inappropriate to save. It actually turned inside out the conventional wisdom that was passed down to most honourable members by their parents. People were taught that it was more appropriate to borrow and then allow inflation to pay off the debt. A whole community was enticed to live beyond its means. A crash was inevitable, and when it came it left an indelible mark on attitudes and expectations. There were casualties in many forms and a whole range of people were literally destroyed financially.

However, in respect of superannuation that high inflation was even more pernicious because it kept eroding the purchasing power of the ultimate nest egg. Of course it was possible for the members of funds to increase their contributions in line with inflation over the term of their employment, and they did that as a matter of course, but the problem was that they could not go back and reconstruct the contributions of the past. To that extent it was pretty clear that the purchasing power of the nest egg was being eroded, the members were losing ground, and superannuation, along with other forms of savings, was losing its attraction.

A solution was devised — an alternative to the standard concept of simply accumulating the cash in the name of a member — which was not to express the entitlement in the form of cash but in multiples of the final salary. Although it was acknowledged that that would not protect a member from a decline in purchasing power from the date of retirement, that was protected by an expectation that the yield on the lump sum would reflect the consumer price index (CPI) at least to some degree. Certainly it would protect a member from the erosion of the value of the savings over the period of service. That solution became quite attractive, assuming always that an employee's salary kept pace with inflation and therefore the contribution did as well. Thus was born the concept of defined benefits. Instead of simply being provided as a cash sum under a simple accumulation process the benefit became expressed as a multiple of the final average salary, with that multiple mathematically linked to the service period. The State Superannuation Fund, which is the subject of the bill, is one such defined benefit scheme.

Many problems emerged from the laissez-faire assumptions of the 1980s, but two in particular had an impact on the concept of defined benefits. The first of those was the extent to which the defined benefit scheme camouflaged the true cost of providing the benefits. To work out the rate at which the cost was accruing year on year required some intricate actuarial assumptions regarding the accumulating entitlement on an individual basis each year, and some of the schemes had some complicated start-up rules. It was not uncommon for there to be some sort of threshold assumption that said that until a member got to a certain point the employer's contribution may not flow by way of benefit. Immediately there were some terrible complications because the actuary was required to assess, assume, or guess whether a member would actually become entitled to the higher rate of benefit.

All that made it difficult to nail down the exact cost of the fund each year and it became popular to simply

recognise the emerging cost — in other words, to simply acknowledge the extent to which the cost of the scheme was reflected in the chequebook. What it cost to pay out members when they retired each year became the assumed cost of the scheme. They were very dangerous assumptions. In one sense it could be argued that what was being talked about was the true cost because you could go to the chequebook and demonstrate the cost year on year, but of course it denied absolutely the liability that was building up behind the scheme like a giant wave.

In that context, recognising only a fraction of the real cost became dangerous indeed, particularly in a new fund where the contributions being put in by the new members were more than sufficient to meet the cost of the members retiring at the other end. Many funds were therefore lulled into a false sense of security. It was in one context dishonest because the true cost was being deferred, and yet in another context it was comforting, and, I might say, plausible.

At one stage the accounting profession was convinced that an appropriate method of recognising the cost of a scheme was the emerging cost basis. That was dangerous because the cost was being understated and misunderstood. One of the effects of that was that it led to less discipline in the entire process and the formula by which the retiring benefit was determined became increasingly magnanimous. In fact, it got bid up by the market.

Whereas the standard I remember was one multiple for each 8 years of service many of the schemes became much more attractive than that. A one year equivalent of 8 years of service meant in practical terms if someone started work at the age of 25 years and retired at 65 years — 40 years of service — using the rule of one multiple for each 8 years of service would indicate a multiple of five, so the retiring benefit was five times the final average salary — or in the case of the public service there was a subtle difference, it was five times the final salary with no average involved.

Some of the schemes in the private sector became very attractive, to the extent that the Australian Tax Office stepped in and put a ceiling on the extent to which the formula could be manipulated. In any event, superannuation became a much greater component of employment packages in many circumstances due to the favourable taxation treatment of the superannuation component. There was a danger in that the entire community was being misled or comforted or beguiled by the apparent low cost of those schemes.

However, that was at one end of the spectrum. If there was any innocence it was perhaps in the minority, and the other end of the spectrum was quite the reverse of that — there were those who quite unashamedly harnessed the extent to which the true cost was not evident, and used that to cheat. One of the best known examples of that was in the public sector in Victoria where it was quite common for someone who was about to retire to entice his superior to arrange an increase in salary just before the date of retirement — a promotion. As it happened that cost the superior nothing because the cost went through to the keeper, but the benefit to the retiring member was that it would have an impact on that person's pension for the entirety of his or her retirement. It became very attractive indeed.

We saw that as a standout trend in respect of the retirement practices across the public sector. There was clearly an opportunity to manipulate the system and to harness the extent to which the true cost would only emerge after the people directly involved had taken their entitlements and left the scene. Something had to give. It was clear that there was a big piper in the background who had to be paid. While new members were joining the scheme and their contributions were sufficient to meet the cost of retirement, we had this huge kite-flying exercise. I am happy to put on the record that governments of both persuasions used that kite quite unashamedly and perpetuated the myth that the costs were being recognised.

Further to that there were two other insidious complications. The first of those emerged in the late 1980s and early 1990s. It just so happened that it was under a Labor government but it is a matter of history — I am not using it in a partisan way. At that time not only was the true cost of the scheme being deferred and the unfunded liability allowed to burgeon and go unreported, but the government raided the funds being contributed by members of the scheme to fund the operational costs of government. While there was a bit of free-board in the scheme the money was being siphoned in another direction: we had a double-tiered kite-flying exercise. In my view that was the last gasp in standards of financial stewardship. I was appalled at the principles involved in that and made a number of personal commitments in respect of the matter. Perhaps that has something to do with the extent to I which have been running something of a crusade.

The other insidious complication was it prompted another really cosy arrangement in that those who were retiring were offered only a portion of their entitlement in cash. That is where this fashion came from. It is not a rash of benevolence; this is hard-nosed economic

reality. People were invited to take up only a portion of their pension in cash and the opportunity to commute — a strange word — was restricted.

The situation in Victoria was quite different from that in other states, particularly Queensland. The facts of life are that Queensland has never had any unfunded superannuation liabilities. Its schemes have been fully funded from the day they were conceived. We are inclined to sling off about Sir Joh Bjelke-Petersen and we hear some critical comments whenever his name comes up, but of the things he did I respect him very highly for the extent to which he turned his back on the prospect of gaining advantage through deferring liability under the superannuation schemes.

Why were people offered less than their entitlements in cash? It was not because the government thought they could not manage it; and it was not because we wanted to protect the public purse against a future claim if the pensioner had the misfortune to waste his or her lump sum. The bottom line was we just did not have the cash. The biscuit tin had been methodically raided year after year. We could not afford the cash payout and the pension allowed for the deferral of the evil day even further. We kept the kite aloft for many years. There were some double standards involved.

The bold remedial action was required and I pay enormous credit to the Kennett government for its brave decisions about superannuation. The first thing that happened under the stewardship of the Honourable Ian Smith, the former Minister for Finance, was the closure of all the defined benefit schemes. In 1993 the Kennett government said, 'No more of this form of superannuation. From here on people who enter our employ will be invited to take part in an accumulation scheme. The difference will be that everybody will understand what the entitlements are, day by day'.

The accumulation concept is simple. In effect it says, 'When you join my employ I will strike an agreement with you about your retirement benefit or superannuation. We will both contribute at an agreed rate. We will then take the accumulating funds to the best funds manager we can find and invite him or her to get the best possible yield. We will keep track of that accumulation in the name of the employee. When you, the employee, become entitled to withdraw, you will know exactly what your entitlement is because the amount will appear in the account in your name. No more funny-money stuff, no money deals on the side'. That is why it was decided to close down the defined benefits scheme.

The second thing was that government was required to recognise and report on the unfunded liability. When the coalition arrived on the Treasury benches in 1992, as I recall the unfunded liability was estimated to be $19 000 million — that is, $19 billion — and going south at an enormous rate of knots. An absolute explosion in unfunded liabilities was expected.

Even in local government a massive problem arose that was brought about by the same management practices. It involved the extent to which local councils could do superannuation sweetheart deals with senior managers in the knowledge that the full costs would emerge down the track when those councils had long since moved into the gathering twilight. Enormous lucrative agreements were struck on the basis of the true costs being submerged. The irony is that I, as the then Minister for Local Government, insisted that the liabilities be recognised. It is fair to say that I, more than any other person, forced local government to recognise the liability.

It is ironic that as a consequence I became the villain. The ALP at least implied that I had somehow been responsible for the incurring of those unfunded liabilities, whereas all the government had done was insist that, for the first time, local councils recognise their liabilities. I will never forgive the ALP for the opportunism of its response at the time.

It was implied that the debts were incurred as a result of amalgamations, whereas nothing could have been further from the truth. All that happened was that, as I said, local government was required to report on the liabilities. It so happened that the then Minister for Local Government was a handy whipping boy. I have broad shoulders, but I remember that time vividly. However, local government is now far stronger as a direct result of the changes brought about by the Kennett government. That episode has ended; it has gone.

Each government level was to be responsible for the costs it incurred, as distinct from the liabilities racked up for those who had the misfortune to follow. That was the second bold remedial strategy invoked by the Kennett government.

In the third one the former government set about realistically addressing the unfunded liability. As I said, it started $19 billion behind scratch with the prospect that it would roar out to $35 billion if it was not addressed. We now learn that it is back to $12 billion, so it has been dramatically shifted in the right direction. We hear it is now to be paid off by 2035, which is a fantastic turnaround. I acknowledge the extent to which

the new Bracks government is addressing the unfunded liability. It is no mean feat to pull the deadline in by 15 years. If it can be achieved, I acknowledge the bravery of those prepared to address the issue.

There are a few complications in that turnaround. The first is that under the law we are unable to amend the entitlements already existing. An existing entitlement cannot be removed, so that leaves very little room to manoeuvre even if that was wanted, and it would not be on the ground of equity. Therefore, as administrators, we can change only those aspects of the funds that are consistent with existing entitlements — a tough challenge. It will be a long drawn-out process. Even though the defined benefits schemes were closed in 1993, just imagine the circumstance of someone who joined the service relatively young just before that, say at 18 years of age, and expected to work to 50 or 60. It will be perhaps 40 years down the track before the existing entitlements of that member are terminated, so it is, as I said, a long drawn-out process.

The year 2050 used to be the completion date. That used to be the date when the former government expected to see the end of the unfunded liability. The dates used to coincide on the premise that this millstone would be there until the very day that the last member retired from the fund. However, as I said, we are now told that the actuarial projections are that that can be expected to be pulled back to 2035, and that is a breakthrough. In other words, the pay-off of that unfunded liability will be accelerated through additional contributions to the fund each year, and that is a good cause.

I want also to highlight that that crucial policy turnaround was taken initially under the coalition government, but I am prepared to acknowledge the extent to which it has been reinforced by the Bracks government. I am grateful for that. I make the point that the unfunded liability, now at $12 billion, is about twice the state debt, so there is a bit of room to manoeuvre, a bit of room to get the issue under control.

I remember that when the coalition achieved government it saw the unfunded liabilities going out to 2050. As I saw it, Victoria had a burgeoning superannuation debt and a budget that was in a veritable death spiral — $2.5 billion of debt incurred year on year just to meet the operational costs of government, with a massive unfunded liability cascading behind it. It was a tough time, and it is no wonder I feel required to remind members of the Labor Party about the difference in their inheritance and ours when they are inclined to suggest that the problem today is something left from their predecessors.

So now comes the finetuning performed by the bill. It is the finessing of the stages seen thus far, and effectively it means there will be a backtrack to address some of the issues confronting existing pensioners — there are 54 000 of them — about 50 000 deferred beneficiaries and about 73 000 remaining members of the State Superannuation Fund. They will now be given the choice they should have been given when they either entered the scheme or retired. The bill means pensioners have a one-off chance to commute either 50 per cent or 100 per cent of their pension entitlements. Given that they had the opportunity to commute only 50 per cent in the original offer, what the bill does is to constitute in part a new offer and in part an extension of a previous offer. But it is an important option.

Current members will have an option to commute 100 per cent of their pension entitlements when they retire, as distinct from the existing assumption that they will only be able to commute 50 per cent. Those members have been given an important additional option.

Existing and future deferred benefit members will be entitled to convert their current entitlements into a lump sum and to roll it over into a complying fund of their choice. Of all the changes, that is the one that is most welcome because of the difficulty in the past of explaining to a deferred beneficiary why he or she could not withdraw his or her entitlement and take it to another complying fund. It was a difficult call because people did not understand the ramifications of a defined benefits scheme.

I will give a simple illustration of what I mean. If a member retires from the fund before the age of 55 years, he or she is unable to withdraw his or her benefit. Those are the rules under which we operate. The trustees have no discretion unless there are issues of ill health and so on. The member retires before the age of 55 with a big entitlement sitting in the fund being administered by the trustee. However, the amount is expressed in multiples of the member's salary at the time. He or she gets an indication of what it is worth, goes off and gets a job elsewhere and sees this remaining investment in his or her name sitting in the fund. The rules say that it shall aggregate at the rate of the CPI. The members say, 'If we could get hold of those funds we could take them anywhere and do better than the CPI. We could take them down the street and do better than the CPI. Why won't you let us have our funds?'. It was a hard call to make because we had to explain to people that they did not have a lump sum of cash there; they had an entitlement expressed in the formula I described earlier.

The bill provides people who are caught in that crossfire with an entitlement to take the dollar value of their deferred benefit and roll it over into another complying fund. It means they can take it wherever they like, and it goes with our blessing. That will overcome an enormous problem faced by the administrators; they will no longer have to explain the intricacies of a defined benefits scheme as opposed to an accumulation scheme. That change is particularly welcome.

The State Superannuation Fund pensioners who are administered through the board of the Emergency Services Superannuation (ESS) scheme will now be given a one-off opportunity to commute 50 per cent or 100 per cent of their pension to a lump sum. They too will be made the same offer as other pensioners. There are only about 2000 of those members left and it would be unfair if they were not extended the same option as those pensioners under the State Superannuation Fund because of circumstances beyond their control.

There is now a one-off option to 54 000 pensioners; a one-off offer to 50 000 deferred beneficiaries; and an ongoing option to 73 000 continuing members. It is a good outcome. As I said at the outset, I believe it is a win–win situation because those options can be extended without there being any cost to the public purse. That is notwithstanding the clear commitment given by the government in the second-reading speech and captured by the bill that whether individual members take up the option is entirely at their own discretion.

In fact, each member of the funds will be invited to take up the offer after receiving individual advice. It is important to note that each of the beneficiaries in whatever form — pensioners, deferred beneficiaries or continuing members — will be offered the same commutation formula. It is proposed to go back to the original formula in the legislation that established the funds and apply it to the commutation offers. It is a repeat of an earlier offer, the only difference being that the formula will be applicable to a larger share of the entitlement.

One must ask how this can possibly be a win–win situation. How can the government be so magnanimous without it costing too much? The answer is that it has been achieved through the effluxion of time. Since the establishment of the schemes life expectancies have increased, so the original formulas are no longer realistic. The good news is that people are living longer. The reverse is that if the beneficiaries take pensions the cost to the fund is greater. So, there are advantages for the funds if the beneficiaries take their entitlements in cash.

In those circumstances the trustees can say to the members, ‘We invite you to take cash today based on the original formula. It will cost us less if you do so, even if it may be welcome in your hands’. The beneficiaries will get cash up front, which will give them greater flexibility and choice and may mean a new lease of life and a chance to develop new plans. The fact that it reduces the cost to the fund should not detract from the suggestion that it might be a valuable alternative for the beneficiaries. As I said earlier, it can clearly be demonstrated that it is a win–win situation. It is not incongruous to suggest that both parties to the contract can come out satisfied with the outcome.

The downside is the prospect that a pensioner can take the cash and blow it and then come back as a claimant on the public purse in some other form. That prospect leads to claims of cost shifting between tiers of government, with which I am familiar. That is why governments generally prefer people to take pensions as opposed to lump sums. However, commuting a pension entitlement to cash is a feature of the superannuation sector. Indeed, it is a fact of life with all other public sector superannuation schemes, including the commonwealth’s scheme, which provides exactly the same option that is being provided in the bill. To the extent that the state scheme mirrors the terms and conditions of the other funds, it is hard to say that this is somehow a smart way to shift costs onto the commonwealth. Honourable members should remember that we are talking about the entitlements of the member, not the fund. It is the member who has the right to cash or a pension, and it should be his or her choice. In any event, it is important to remember that the scheme was closed back in 1993, so the rules were written many years ago.

The extent to which the fund must be seen to be a complying fund is a further complication. As the Honourable David Davis said, one must be careful to stay within the guidelines laid down by the federal government. For the classification to be retained it is necessary to be careful. Offering the option available under the bill, other than within the first three months when it becomes available to the member, is not consistent with a complying fund, so there is a technical complication. Even though it is fair to all the players, it is actually outside the specifications of what constitutes a complying fund.

The way to deal with that complication is to establish new funds to administer the offers being taken up. That is why it is done. It is not sleight of hand; it is not even

cosy. It is just a recognition of the rules that have been laid down and a determination that the offer will be extended to members within the federal rules.

I make the point that the new funds will be temporary. This is a small window of opportunity. The offers will go out early next year. The funds required to meet those wanting to take up the offer will be transferred to the new short-term administrative funds, which will be closed down at the termination of the offer.

In summary, there are new choices at the discretion of the member or the beneficiary, and no obligation and no penalty in any event. Each of the members is entitled to access to expert financial advice, and that will be provided to them on an individual basis.

Pensioners will receive an offer that will apply from February of next year and remain open for three months. Deferred beneficiaries will get those offers from April of next year. Again, they will remain open for three months, and under the new rules continuing members of the fund will be able to exercise their options from July of next year. Transition arrangements are provided for under the bill. Therefore, everybody captured by the State Superannuation Fund, whether a member, pensioner or deferred beneficiary, will have a new offer made available to him or her. In my view those options are offered as fairly as possible. The government has gone to great lengths to demonstrate the equity of the process. Indeed, one particular group of disability pensioners are given specific rights under the bill.

The circumstances confronting that group are quite complex, but in late 1996 the former Department of Education introduced a program called the New Start program, which was designed to return disability pensioners to employment in positions that purported compliance with its obligations under section 76 of the State Superannuation Act. That obligation recognised that where the health of disability pensioners enabled them to perform duties for which they are suited by education, training or experience they must be offered the first vacancy that emerged. That involved some tough choices for people on disability pensions, because it was at least implied that the New Start program would run for only 12 months and that disability pensioners were able to secure employment from then on.

Some disability pensioners took up the New Start program and some did not. Some chose what they saw to be the lesser of two evils and chose to take an ill-health lump sum, which was substantially less than the present value of their existing disability pensions. They were clearly disadvantaged to the extent that the New Start program was challenged and it was resolved that it could not be applied in the form originally conceived by government. A ruling by the Victorian Civil and Administrative Tribunal put a number of those disability pensioners or former disability pensioners at a grave disadvantage.

Sitting suspended 6.31 p.m. until 8.02 p.m.

Hon. R. M. HALLAM — Before the suspension of the sitting I was explaining to the chamber that the Superannuation Acts (Beneficiary Choice) Bill has special ramifications for a select group of people who had been disability pensioners under the previous regime. I was explaining that the department had devised a New Start program that was designed, at least in part, to offer those people an alternative and that those who were confronted with the new program had a very tough choice. Some chose to take up the new option and did their 12 months with the New Start program, only to learn that in two separate hearings before the Victorian Civil and Administrative Tribunal (VCAT) that program was rolled, in that it did not comply with section 76 of the act. It was deemed not to be mainstream employment. Those who had taken part in the program had their pensions reinstated, which is fine — there is no argument from the National Party about that.

However, it is clear that some of those on disability pensions when the program was offered who chose, for whatever reason, not to take up that option did so because they were concerned about the impact at the end of the 12 months period that was offered. In those circumstances they had resigned themselves to a lesser benefit. Members of the National Party consider that was unfair, given how that program was later judged by the VCAT. Some people chose to receive a lump sum ill-health benefit, notwithstanding that it was the lesser of the options, on the basis that they were not convinced about their long-term options.

The bill provides that those persons who decided in the first place, for whatever reason, not to take up that option can review that decision if they can convince the Government Superannuation Office that their election to receive the ill-health benefit was materially influenced by the structure of the New Start program. It effectively goes back to square one and invites those persons to argue the case that the choices were unfair. The bill provides a formula for the reinstatement of those persons if they can convince the trustees that they were influenced by the offer on that New Start program. That is fair insofar as it applies across the spectrum of those caught up in those circumstances.

There are two housekeeping matters addressed in the bill. The legislation is now being used as a vehicle to remedy a couple of standout anomalies, the first of which is spouse accounts. A spouse account is a simple concept that provides for circumstances where a contributor to a superannuation scheme has a partner who is either unemployed or employed at a low level of remuneration. The bill provides that those who are involved with the Emergency Services Superannuation Scheme will now have the option of spouse accounts. It is not a big deal in terms of government cost — there is no risk to the government because the scheme is to be fully funded.

It is simply saying to the members of the ESSS that they should be entitled to the same options that apply to members of other funds. It also recognises that the ESSS membership is biased to the degree that it comprises male members, most of whom have spouses who do not work or who generate low incomes, and it is possible to extend an entitlement to those members at no cost to the public purse. I reinforce the fact that the government faces no risk as a result of that option because the scheme would be fully funded by the members.

The second incidental change relates to members of Parliament. Where a member of another public sector superannuation scheme becomes a member of Parliament and after serving a term in the Victorian Parliament chooses to return to the original public sector superannuation scheme, that former member should be entitled to do so on exactly the same terms and conditions as would apply if the interim service was with any other public sector superannuation scheme. Two former members of the Victorian Parliament — Barry Traynor and Florian Andrighetto — have been disadvantaged by the current rules. They are examples of why the matters being debated should be addressed. I assure honourable members, as I assure members of the Victorian community, that what is determined by the amendments does nothing more than would apply if those members had transferred to any other scheme within the public sector stable. What is being achieved by the amendments is the preservation of exactly the circumstances that would apply in any other situation.

The government has introduced the bill to deliver some housekeeping changes, but the central change — the one I go back to — is that it delivers additional options to members of the State Superannuation Fund, to pensioners under that scheme and to deferred beneficiaries. The bill is welcome and it is logical and fair to all concerned.

I am pleased to have been directly involved in the early planning for the solution delivered by the bill. I commend the Bracks government for continuing with the remedy that was devised in the early days of planning. I am delighted that the changes have survived a change in government and I pay tribute to the officers involved in the remedial process. I acknowledge in particular the role of Dean Yates, who is the senior officer in the superannuation section of the Department of Treasury and Finance. Those involved have achieved a good outcome, which I described at the outset and truly believe is a win–win situation. I commend the bill to the house.

Hon. S. M. NGUYEN (Melbourne West) — I support the Superannuation Acts (Beneficiary Choice) Bill. Having listened to members of the Liberal Party and the Honourable Roger Hallam on behalf of the National Party speaking on the bill, it is clear that it enjoys bipartisan support.

The bill will give about 180 000 members of the public sector State Superannuation Fund more choice. The boards of two organisations will look after the beneficial choice program — the Government Superannuation Office and the Emergency Services Superannuation Scheme.

I turn to the 2000 annual report of the Government Superannuation Office. The State Superannuation Fund has a membership of nearly 73 000 active members in various schemes, including the Revised Scheme, the New Scheme, the Transport Superannuation Scheme, the State Employees Retirement Benefits Scheme, the Melbourne Water Corporation Employees Superannuation Scheme and the Metropolitan Transit Authority Superannuation Scheme. The membership also includes 53 000 pensioners and 50 000 deferred beneficiaries, totalling 103 000. In all, almost 180 000 members are entitled to join the beneficiary choice program.

I will refer to some of the things the organisation does to see how capable it will be in delivering the new services when the changes proposed by the bill are introduced. The organisation is quite capable of running the service. The chief executive officer of the office is the former Governor of the Reserve Bank of Australia, Mr Bernie Fraser.

The report indicates that the office is providing better services to its members, such as reducing the average waiting time for telephone callers from 1 minute 40 seconds to 35 seconds to provide a much faster service. The proportion of telephone calls abandoned by the caller before being answered has dropped —

from 8.2 per cent to 3.7 per cent. The average waiting time for a personal interview has been cut from more than six weeks to one week, while urgent interviews can be scheduled immediately.

Many members live in country Victoria, and the service is now more accessible to those people who live in the country. The organisation has arranged for many questionnaires to be sent to its country members so they can have an input into how it conducts its services. It is important that the organisation is able to provide such a service to its members.

Page 6 of the report refers to the beneficiary choice program. It states:

> As noted earlier, some $2.6 billion was contributed to the fund by the former state government to finance a proposed program to enable fund members to voluntarily commute their pensions to a one-off lump sum payment. The future of the proposed program is currently under review by the government, and a decision is expected in the near future. Should the program proceed, the office will be faced with a major administrative challenge throughout 2000–01 to prepare for and deliver the program. If approved, it is envisaged that both current pensioners and deferred beneficiaries would have the opportunity to commute their pension entitlements.

The organisation would like to see the government do something about it and therefore strongly recommends the changes.

The bill reflects changes being made in the superannuation industry. Today is an important day; with passage of the bill the 180 000 members in the scheme will be given more superannuation choices. The government wants to see the Victorian system working with systems in other states around Australia, especially its counterparts in the public sector. The bill will enable members of the State Superannuation Fund to more easily transfer to other schemes around Australia.

The program is totally about giving people more choice in how their entitlements are paid. They can choose to take the 100 per cent lump sum, to take 50 per cent of it, or to leave it. That enables people to think about and have choices about what to do with their money, such as opening businesses. The program is totally voluntary — nobody can force people which option to choose. It also provides more latitude for people to administer their financial affairs.

The Department of Treasury and Finance will provide independent financial advice to the members of the scheme. That free advice means people will be fully informed when decision making occurs. Dealing with superannuation, funding, retirement and so forth is complicated. It is hard to decide what is the most appropriate benefit. The financial advice recommended by the department will give people choices to enable them to manage their affairs better. Members can also write to the department for advice and so become aware of all the things they can learn about the scheme.

The offer will be made to pensioners in February 2001 and to deferred beneficiaries in April 2001. Individuals will be given three months to consider the offer. The ongoing changes to fund rules will apply from 1 July 2001, which is next financial year.

The arrangements are well designed to make members aware of the things they need to do, and I am sure the boards of the State Superannuation Fund and the Emergency Services Superannuation Scheme will notify members about the changes to the rules that will be decided by Parliament today. Not only will they write to members giving them the information they need, but if members want to be consulted they can ring up or use the services available to every member through the Internet.

As the previous speaker said, the bill is a goodwill program that will help in changing from one scheme to the other free of charge. The member is not charged anything. Once again, members will be given more choice. The one-off offer will be made to about 54 000 pensioners and 50 000 deferred beneficiaries.

The bill also deals with ill-health lump sum benefits. These are things we need to be aware of. The bill will give people who have received ill-health lump sum benefits a chance to reinstate their pensions. As was mentioned by the previous speaker, work needs to be done on the New Start program introduced by the former Department of Education in 1996. In some cases the ill-health lump sum was not very helpful to those who received it, and this bill gives them a chance to reinstate their benefits.

The bill also allows the Emergency Services Superannuation Scheme board to establish spouse accounts for its members. As about 90 per cent of the members of the scheme have low-income spouses, the amendment will be very useful. The establishment of spouse accounts under the Emergency Services Superannuation Scheme does not create any risk for the government as the accounts will be fully funded by the employees. The government sees this initiative as a positive move for the members of the scheme.

The bill makes two small amendments relating to minor administrative matters. One relates to a member of Parliament who was a public servant. The amendment

allows that member to return to the public service superannuation scheme when he retires from Parliament. The other amendment deals with the order in council gazetted on 20 July. It is a small change.

In conclusion, this proposal is very important. It will make the lives of 180 000 fund members easier and give them more choice in deciding what scheme they will join. We will monitor how well the superannuation schemes handle the changes and ensure that they are capable of providing services to members. I am sure people in country Victoria will get some benefit because the telephone service will be more accessible and they will not have to wait a long time on the line. An appointment to see an adviser will be quicker, and there will not be a long waiting period because everything must be arranged with three months. I commend the bill to the house.

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 the Honourables Roger Hallam, David Davis and Sang Nguyen for their contributions to the debate.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

MAGISTRATES' COURT (COMMITTAL PROCEEDINGS) BILL

Second reading

Debate resumed from 21 November; motion of Hon. M. R. THOMSON (Minister for Small Business).

Hon. C. A. FURLETTI (Templestowe) — I am pleased to contribute to debate on the Magistrates' Court (Committal Proceedings) Bill which further refines amendments introduced in 1999 by the former coalition government. The Liberal Party does not oppose the bill. The measure is part of the ongoing redefinition of the judicial process whereby the various competing interests in the search for truth and justice must be given due weight and recognition.

The bill is a further reassessment of procedures relating to committal proceedings. The house would be aware that committal proceedings are those in which the prosecution evidence that is intended to be put in respect of serious crimes is tested to determine whether a prima facie case is established against an accused person. Over the years the committal proceedings process has changed regularly. It is now possibly far more a paper-based exercise involving the provision on paper of all statements, proof of evidence and the like that forms part of the prosecution case in the form of what is called a hand-up brief.

When I was admitted to practise law as you, Mr President, may recall, the committal proceedings were more in the line that each of the witnesses intended to be called by the prosecution was required to attend in court to be subjected to fairly rigorous cross-examination by the defence. It should be noted that committal proceedings do not require the defendant to lay out any of the defence, but it is purely in the interests of seeking that justice be done that the evidence of the prosecution is analysed and made available to the defence. That allows the defence to prepare itself for the eventual trial.

It is a longstanding, fundamental protection provided by law that an accused is to be entitled to know the details of the charges that have been laid against him or her. The accused is entitled to have details of the evidence on which those charges are based. The accused is entitled to be aware of the witnesses intended to be called and the evidence it is proposed those witnesses will adduce. It is different from a trial in that, as I said, a defendant is not obliged to present any material. It is an opportunity for the prosecution case and the evidence on which it is based to be tested by the defence.

The reason the committal procedure has been analysed and re-analysed on numerous occasions over the years is that, as is the case with most systems that are put in place, it tends to be abused. A case in point some years ago in Victoria involved a rogue policeman called Paul Higgins. Honourable members may recall that the committal proceedings were used to the extreme to delay and extend the eventual trial of the former policeman. After, from memory, some nine months of committal proceedings the Crown decided to withdraw from the committal proceedings and to go to direct presentment because the process had been abused to the extent that it was necessary to reconsider the process. So it is that the system of committal proceedings came under intense scrutiny and changes were introduced.

It is fair to say that there is a strong school of thought which suggests that committal proceedings are no longer necessary. It is time the process and the benefits that derive are revisited. Perhaps that is something the Attorney-General should consider having investigated by the parliamentary Law Reform Committee or the Victorian Law Reform Commission.

Of course, at the end of the day the fundamental question that is to be asked in committal proceedings is in which forum the various elements of the judicial inquiry envisaged by the committal process should take place. Over the past four or five years there has been ongoing refinement of the process. There has been a shifting of emphasis from the Magistrates Court to the County and Supreme courts in the examination and cross-examination of witnesses. We will perhaps now see a move back to the Magistrates Court, but at the end of the day the purpose of committal proceedings, as you, Mr President, will recall from your own experience, is to seek to preserve as much as possible the resources of the state, whether in the courts, the office of prosecutions, the police department or legal aid.

The whole object of seeking to refine committal proceedings is to ensure that what eventually arrives in the superior courts satisfies the function of the superior courts, which is the conduct of trials for serious crimes. We see in the second-reading speech that the government established a Committal Proceedings Monitoring Committee with broad-ranging representation, and the government maintains that it is that committee that recommended the changes before the house today.

It is vital that expert opinion and comment from experienced users of the system be harnessed. However, from my experience of 30 years of practising in the law — and as you would appreciate, Mr President — there is little uniformity but varying opinion from practitioners experienced in such matters. It appears that the best course is to resolve as we go along the flaws that show themselves due to the experience of practitioners, and to plug and repair the loopholes that are discovered. The bill represents another ongoing effort to ensure an essential element of our criminal justice system is maintained and works as smoothly as possible.

Perhaps the major purpose of the laws relating to committal proceedings is to seek to resolve as many issues as possible prior to the committal hearing. The changes that have taken place over the past 5 to 10 years will ensure that the committal proceedings deliver a process whereby what is passed on to the superior courts is as refined as possible to ensure that the time, energies and resources of the superior courts — which, as honourable members are undoubtedly aware, are very strained — are used to the optimum.

The bill seeks to revisit the legislation that controls committal proceedings. It has a number of purposes covering the circumstances and manner in which cross-examination can occur, and the types of questions and the circumstances in which they can be asked. It is significant legislation and I will detail it briefly and lead the house through the main elements of the bill.

Firstly, I refer to clause 7. The bill seeks to extend the time frame from 28 days to 42 days before committal mentions for the delivery of the hand-up brief, which, as I indicated, is the core material for any defendant. It extends other time frames for service and delivery of notices, summonses and other documentation to be served as part of the committal proceedings. The intention of broadening the time frame is to introduce more flexibility, to allow full disclosure of the prosecution case and to ensure every possibility is provided to allow negotiations to attempt to resolve pleadings so as to minimise waste and delays.

Possibly the most significant provision is clause 7(12), which relates to the cross-examination of witnesses and introduces entirely new provisions for magistrates to grant leave to cross-examine prosecution witnesses. In the briefing on the bill, I was advised that the Supreme Court formulated many of the prerequisites that are set out in proposed new subclauses (4) and (5) of clause 13 of schedule 5.

The provisions are set out in considerable detail and identify not only what the court must consider when determining whether to grant leave but also situations in respect of which the court must not grant leave. Proposed new clause 13(5) of schedule 5 of the principal act, which is substituted by clause 7, states:

> The Court must not grant leave to cross-examine a witness to whom this clause applies unless satisfied that —
>
> (a) the defendant has identified an issue to which the proposed questioning relates and has provided a reason why the evidence of the witness is relevant to that issue; and
>
> (b) cross-examination of the witness on that issue is justified.

The defence must justify to the court before leave for cross-examination of a witness is granted that the purpose of the cross-examination is valid.

Clause 7 also substitutes proposed new subclauses (5A) and (5B) of clause 13 of schedule 5. Those significant provisions set out eight factors that the court is obliged to take into account. In previous debates honourable members have discussed the difference between the words 'may' and 'must', and the word 'must' is used in relation to obligatory or mandatory provisions a court must take into account when determining whether to grant leave to cross-examine a witness.

Proposed new subclause (5B) sets out a further 10 factors to be considered by a court for the protection of witnesses under 18 years. In considering whether to allow such witnesses to be cross-examined the court is required to consider the need to minimise the trauma that might be experienced by young witnesses; any relevant conditions or characteristics of the minors, including age, culture, personality and education; any mental, intellectual or physical ability of a witness; the importance of the witness to the prosecution case; and the ability of the witness to corroborate evidence; and so on. The opposition applauds the government for establishing those sorts of parameters.

Clause 8 substitutes proposed new clause 16 of schedule 5, which relates to the cross-examination and protection of witnesses from overzealous cross-examination by defence lawyers. It provides that the court may disallow questions or disallow cross-examination if it appears that the defendant has not identified the issue, if the court considers a question is not justified or that a question is repetitive of an earlier question. It may be that courts have that power now but the bill clarifies the situation. It puts the power beyond doubt and gives courts a greater ability to protect witnesses in respect of whom leave has been granted to cross-examine.

Proposed new clause 16(2) set out eight factors that a court must take into account in determining whether a question is justifiable. The purpose of the provision is the avoidance of undue harassment and haranguing of witnesses.

Proposed new clause 16(3) provides additional protection for minors. In addition to the protections I referred to earlier, there is one that relates to misleading, confusing or inappropriately phrased questions or questions that annoy, harass or intimidate. I applaud the government for providing additional safeguards for witnesses who may be vulnerable and who may need the court to protect them from overzealous or at times inappropriate cross-examination.

They are the main provisions of the bill, but there are other less significant provisions that I will touch on briefly. Clause 6 is somewhat anomalous, in that it is entitled 'Compulsory examination procedure'. In early 1999 the previous government inserted section 56A of the Magistrates' Court Act, which allows the compulsory examination of witnesses. Yesterday in this place the Crimes (Questioning of Suspects) Bill was passed, and there was a great hoo-ha on the government's part about the ability of prisoners to be interviewed without their consent.

The clause, which amends section 56A, provides that the prosecution can apply to a magistrate for an order to interview a person, even if that person is in jail, about issues that may contribute towards the prosecuting of a matter for which a defendant has been committed. That can happen with or without the defendant being given notice, so that is an anomaly the government needs to address. It shows the double standards that the government regularly entertains in this house.

Hon. R. A. Best — You are being very hard!

Hon. C. A. FURLETTI — I appreciate the support of my colleague! Clause 9, which is an extension of clause 6, deals with circumstances in which a new witness is presented after the committal or a witness who has previously given evidence makes a supplementary statement. Notwithstanding that a person has been committed for trial, clause 9, which inserts proposed section 24A, enables either the prosecution or the defence to make application to re-examine that person. The opposition has no difficulty with that provision. Given that new evidence is available for the trial, and for the purposes of continuity, it is important that there be an opportunity to examine other new and proper evidence — but always under the processes that have been included in the legislation.

I have indicated my support concerning witnesses who are under 18 years of age. The opposition supports the objectives of the new provisions, which are admirable, and congratulates the government on introducing them. Although members of the opposition accept that the procedures and management of committal proceedings are a fertile area for ongoing review and reform, we will be monitoring this legislation in the hope that the government will do the same and that changes will be made as and when necessary. With those reservations, I commend the bill to the house.

Hon. JENNY MIKAKOS (Jika Jika) — I support the Magistrates' Court (Committal Proceedings) Bill, which makes a number of improvements to the

operation of committal proceedings in Victoria in line with the government's policy of providing a fair, accessible and efficient system of justice. I will be fairly brief in my comments on the key aspects of the bill. As Mr Furletti said, the committal proceedings system is important because it enables the Magistrates Court to decide whether a defendant should stand trial for an indictable offence in the Supreme or County court.

An effective committal process is essential for the operation of our court system. It filters out cases that should not proceed to a full trial and therefore saves much of the time and resources of the courts as well as saving the valuable resources of the Director of Public Prosecutions, Victoria Legal Aid and the Victoria Police.

An effective committal system is also necessary to ensure that adequate disclosure to the defendant of the prosecution's case occurs at an early stage, on the basis of the fundamental premise of our justice system: that the onus always is on the prosecution in criminal matters and that the defendant is accorded the benefit of a presumption of innocence.

In 1999 the former government undertook a number of major legislative changes to the committal system. Those changes were accompanied by a number of changes to the Magistrates Court rules. The key aims of the changes at that time were to encourage the parties to read the brief of evidence at an early stage, to address the problems of blanket requests to cross-examine all witnesses by requiring the defence to seek leave to cross-examine each witness and to facilitate the management of the system by the Magistrates Court through the use of a number of procedural forms.

In March the Department of Justice established a Committal Proceedings Monitoring Committee to identify any problems that needed to be addressed in the committal proceeding process. The monitoring committee comprised all key stakeholders and included representatives from the Magistrates Court, the Victorian and commonwealth directors of public prosecutions, the Victoria Police, Victoria Legal Aid, the Victorian Aboriginal Legal Service, the Criminal Bar Association, the Law Institute of Victoria, the Victorian bar and the Department of Justice.

Although members of the monitoring committee found that there was general support for the key elements of the committal process, they identified a number of shortcomings in the process. The findings of the committee included that there was an overemphasis on compliance with procedural forms and processes, that some of the forms and processes were inflexible and not tailored to the specific case in question and that in far too many applications leave to cross-examine witnesses, particularly child witnesses, was being refused.

This led to a situation where more young people were being cross-examined at the full trial, which is generally acknowledged to be a more traumatic experience for them.

The monitoring committee identified a number of problems with the current committal process, including a waste of resources. The process had to be streamlined so that issues that were being dealt with at the trial stage could be better dealt with at the committal stage. The bill seeks to address the shortcomings identified by the Committal Proceedings Monitoring Committee and has the support of those key stakeholder groups. An important aspect of the bill provides the magistrate with the power to ensure that any cross-examination of a victim at the committal proceedings stage is appropriate.

Currently when the defence wants to cross-examine a witness an application must be made outlining the scope and purpose of the questions and it must indicate whether each question has substantial relevance to the issues before the court. Leave may only be granted to cross-examine a child if the interests of justice cannot be served without doing so. There have been a number of cases where the defence has had to prepare lengthy documents setting the so-called substantial relevant issues to cross-examine witnesses, particularly child witnesses. Those procedures have been regarded by all parties as being overly cumbersome, resource intensive and of limited value for all the parties concerned.

As a result of the previous government's amendments more children are now being cross-examined at a full trial rather than at committal. As I indicated earlier, that is generally regarded as being an overly traumatic experience and it is more desirable that child witnesses be examined at the committal stage rather than at full trial in the hope that children giving evidence at the committal proceeding may encourage the defence to plead guilty, or in relevant circumstances the prosecution may determine there is insufficient evidence to proceed with the matter at trial. In either of those circumstances the child is spared the trauma of proceeding to give evidence at the full trial.

The purpose of the amendments is to minimise the overall trauma to victims of crime, both adults and children; to focus the committal proceeding on the real issues at hand in the committal; and to achieve fairness to the defendant.

Clauses 7, 8 and 9 make a number of significant changes to schedule 5 of the Magistrates' Court Act, which sets out the provisions relating to the committal proceedings and seeks to introduce a new test for whether the defence should have leave to cross-examine a witness. Compared to the current test, which is one of substantial relevance, the new test is one in which the defence must explain the need to cross-examine a witness by identifying the relevant issue or issues at hand, and also the court must be satisfied that the cross-examination of the witness at committal is justified having regard to the purposes that committals serve.

The bill also seeks to give the court sufficient powers to refuse leave to cross-examine a child victim at a committal hearing. As the Honourable Carlo Furletti said, they are new provisions. I am pleased he supports those additional measures being introduced into the legislation. I agree that those important provisions accord to the Magistrates Court stronger powers to stop inappropriate cross-examination at committals of a witness, a child in particular, when questioning is regarded as being abusive, oppressive, unnecessary or confusing to the witness.

As the Honourable Carlo Furletti also said, additional protection over and above that for adult witnesses is provided for child witnesses, which is a very important safeguard as they go through the committal proceedings process. I understand that the state and commonwealth directors of public prosecutions and defence representatives support that proposal. I also understand that the Department of Justice will be monitoring the new procedures, particularly their impact on child witnesses. The department is prepared to review the operation of the provisions if an increase in child trauma is identified.

The bill also seeks to make a number of changes to the time frames set by schedule 5 of the act as they relate to preliminary hearings and briefs of evidence being served on parties. The changes proposed by the bill seek to make the time frames more flexible and to tailor them to the individual needs of each case.

The bill also seeks to modify the provisions introduced by the previous government in section 56A of the act which relates to the compulsory examination procedure by allowing the defence to be present during compulsory examinations and, in exceptional circumstances, to address the Magistrates Court.

The bill makes technical improvements to the compulsory examination procedure to make it fairer on the persons to whom applications relate and to improve the operation of the procedure. For example, the court will be advised if the person to be questioned is a suspect and whether the person has received legal advice about the procedure at hand.

Another key aspect of the bill reinstates the right to call witnesses who were unavailable at committal proceedings. Prior to the 1999 amendments to the act by the previous government, both the prosecution and the defence had a right to apply for a committal to be reopened to enable a witness who had previously been unavailable to be heard. That right was abolished in 1999, which has created a number of difficulties at the trial stage requiring a number of adjournments so that parties are able to prepare their cases. The bill seeks to reinstate that right.

In conclusion, although the bill appears to be quite technical in nature, it is a very important measure that seeks to make a number of improvements to Victoria's committal proceedings. I commend the bill to the house.

Hon. R. M. HALLAM (Western) — Members of the National Party have resolved not to oppose the Magistrates' Court (Committal Proceedings) Bill and it is my responsibility to report on and explain the rationale for that decision.

I should start by explaining that I do not claim to be an expert in legal procedure. Indeed, prior to politics I took a particular interest in keeping out of the courts and not becoming expert in procedural matters. It was my steadfast view that they were something one should not become involved with, and I gained the distinct impression, based upon personal experience, that there is only one lot of winners in the court process — the lawyers.

Hon. C. A. Furletti interjected.

Hon. R. M. HALLAM — Nothing that has happened since has disabused me of that view. Nothing has dissuaded me.

The bill is designed to improve the operation of a particular concept known as the committal proceeding. To the layman the committal proceeding is designed to be a trial run — pardon the pun. It is meant to be a preliminary bout, it is meant to be conducted before the Magistrates Court and it is designed to establish whether there is sufficient evidence for a case to go either to the County Court or to the Supreme Court.

In theory the committal proceeding is designed to filter out the cases that should not proceed to trial. It is meant to establish the basis of the prosecution, define the

issues and therefore get the case ready for trial. It is meant to clarify the issues that go to the question of what and whether the defendant should plead. It is meant to ensure that the trial is fair, and it is meant to ensure that the resources of the courts and the police are not wasted. So it is meant to be a good first cut of the process, and it has long since been a feature of our legal system.

But the key players would all agree that it has been getting rather tired, particularly to the extent that defence counsel have been able to use the committal proceeding as an out-and-out fishing expedition. Thus the process is no longer the filter it was originally designed to be.

During the last government under the astute leadership of the then Attorney-General, Jan Wade, a basic makeover of the committal proceeding process was undertaken. All the key players were invited to get involved and many views were fed into a major redirectional process. That led to what is now described as the 1999 amendments. All those amendments were designed to go back to the original concept, which would see the committal process acting as a genuine filter.

This bill will refine that outcome. The incoming government has instituted a similar process, called the Committal Proceedings Monitoring Committee, which again involves the key players reviewing the process. The key players have been drawn from all those who have an interest in the system. On the committee are representatives from the Magistrates Court, the Criminal Bar Association, the Victorian and commonwealth directors of public prosecutions, the Victoria Police, Victoria Legal Aid, the Victorian Aboriginal Legal Service, the Law Institute, the Victorian bar and the Department of Justice. So the usual suspects have been rounded up and again been given the opportunity of monitoring the effect of the 1999 amendments. That is the genesis of the bill before the house.

The committee concluded that although we should reinforce the original concept that underpins the committal process, there are a number of problems we should be addressing. A number of strategies were suggested. They are outlined in the minister's second-reading speech so I will not go through them, but the complaints were that the time lines were too tight and too inflexible, that the applications for leave to cross-examine were unnecessarily time consuming and to some degree defeated the purpose that was sought, that hearings of application for leave to cross-examine were protracted and unnecessarily complex, and that there were too many applications for leave to cross-examine being refused, which led to more and more young people being cross-examined at trial, which is acknowledged as being that much more traumatic.

It was acknowledged that because of the procedural difficulties, more and more defendants were bypassing the process and frustration with the system was the result. So again there was a need to return to the fundamental objectives which drove the concept in the first place, because more and more time was being consumed needlessly before the County and Supreme courts on issues that would previously have been resolved before a magistrate. There was a need to go back and refocus on the primary objectives of the committal process, to streamline those procedures and to add flexibility.

Several specific recommendations were articulated by the monitoring group that are now picked up in the bill. I will mention only three of them. The first relates to cross-examination. Currently leave to cross-examine a witness will be granted only where the court is satisfied that the scope and purpose of the proposed questioning has substantial relevance to the facts in issue. That test is regarded as being too narrow. The bill provides that the defence must identify an issue and give a reason why it is relevant to the case being heard. The court then determines whether cross-examination of the witness at committal is justified. If leave to cross-examine is granted the court retains the power to ask the defence to indicate why a question is being asked; so even if leave is granted that does not mean it is carte blanche, and the court may disallow the questioning or the cross-examination if it is not satisfied with the response.

The second recommendation relates to the witness who is under the age of 18 years. It is accepted that cross-examination of a witness under the age of 18 years is more traumatic at trial than it is at committal. That is the starting point. The current system for cross-examination of young witnesses is proving inadequate because it is seen as too restrictive, thereby leading to more and more young witnesses being cross-examined at trial. With the extension of the capacity to cross-examine young witnesses at committal, particular qualifications apply to such cross-examination. In those instances the bill requires that the court consider a range of other factors such as the need to minimise trauma, the age of the witness, the relevant characteristics of the witness including culture, personality, education and the level of understanding of the witness. In other words, the court will have very strong powers in respect of the appropriateness of

cross-examination in those circumstances. It is on that basis that the National Party is relaxed about the amendments.

The third recommendation relating to the issue of compulsory examination is also included in the bill. The circumstances envisaged refer to where a witness may refuse to make a statement or where a witness is determined about a prospective breach of confidentiality. We commence with the premise that we are confronting a circumstance where there is a conflict of interest based on a contractual requirement to maintain confidentiality as opposed to the right of the community to expect that the investigation of crimes should not be so easily frustrated. If a witness in those circumstances refuses to make a statement, the bill provides that the police may apply to the court for an order to examine that witness under oath in open court. That is a substantial shift from the current rules. But the bill also inserts some safeguards in that the court will be advised whether the witness is a suspect in the proceedings and has received legal advice about the proposed examination.

Further, the defence will be able to be present and under exceptional circumstances may also be able to address the court. The bill contains some fundamental responses to the work of the monitoring committee. We in the National Party say that those changes are rational and supportable.

The explanation for the National Party's position was more plausibly and eloquently outlined in the debate in the Legislative Assembly, because my esteemed leader, Peter Ryan, is an expert in such matters. He was kind enough to help steer me through unfamiliar waters. I am therefore able to report that the National Party does not oppose the bill.

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 the Honourables Carlo Furletti, Jenny Mikakos and Roger Hallam for their contributions.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

ADJOURNMENT

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

That the house do now adjourn.

ALP: raffle

Hon. C. A. STRONG (Higinbotham) — The issue I raise with the Minister for Sport and Recreation — —

Hon. M. M. Gould interjected.

Hon. C. A. STRONG — No, through him to the Minister for Gaming. The leader might be prepared to take the question!

Honourable members interjecting.

Hon. C. A. STRONG — The matter I raise for the attention of the Minister for Sport and Recreation, who represents the Minister for Gaming in the other place, concerns a raffle that was run by the Springvale branch of the ALP and drawn on 10 November this year. I have a copy of a raffle ticket, which I bring to the attention of the house because I believe it is in breach of the rules covering raffles and bingo.

I am sure all honourable members will appreciate how critical it is that a raffle as clearly labelled as this with the ALP logo — the ALP is after all the government party — is absolutely above board. What is the public to expect if, when we ask them to follow the rules, government members do not? It sends the wrong signal if the government party does not follow the rules, and it brings all members of Parliament into disrepute.

I will not bother to take the house through the details of the matter because of the time constraints, but I have examined the acts and statutes and believe the raffle was in breach of the law. For the good name of this place I ask the Minister for Sport and Recreation to refer this matter on, and I ask the Minister for Gaming to inform this house of his findings through the minister.

Numurkah District Health Service

Hon. W. R. BAXTER (North Eastern) — The matter I raise with the Leader of the Government for referral to the Minister for Health concerns the provision of health services in the township of

Numurkah. The topic is current because the annual report of the Numurkah District Health Service was tabled in the house yesterday. I congratulate the board on presenting a very informative report to the Parliament. The issue I raise goes to the future provision of health services in Numurkah in the most efficient way possible.

A hospital established in Numurkah through a community undertaking after the Second World War was intended to cater for the expansion in soldier settlements in the district. Subsequently, other community organisations built a hostel known as the Pioneer Memorial Lodge and a nursing home known as Baala House was established.

Now, through the effluxion of time, the hospital and to some extent the Pioneer Memorial Lodge, are in need of refurbishment. Bearing in mind the new regulations for food handling and the like, it would be sensible that the three facilities be located on the one site rather than being separated by Katamatite Road, as is currently the case. The board is keen to have the three brought under a single board of management.

The problem is that the Pioneer Memorial Lodge is a not-for-profit organisation and technically not a provider of a public health service. The original fundraisers for the establishment of the Pioneer facility in Numurkah believe it should be a formal part of the health service and be administered by the same board as administers the hospital. That is also the view of the Department of Human Services. Although it makes sense, there has been tardiness in considering how that outcome may be achieved.

Recently I noticed that the government advertised in newspapers for consultants to advise on the refurbishment of the hospital. That is welcome, but in some sense it is putting the horse before the cart because other decisions need be taken first. I ask the Minister for Health to give the issue his attention.

Fences: legislative reform

Hon. C. A. FURLETTI (Templestowe) — I direct to the attention of the Minister for Small Business representing the Attorney-General in the other place the government's response to the Law Reform Committee's report on its inquiry into the Fences Act that I had the honour to chair and which report was tabled almost two and a half years ago.

I have received numerous written and telephone inquiries about when the recommendations in the report will be acted upon. I have given a number of assurances to affected and interested Victorians. Although I am pleased that the government has finally provided a response to the report, I am anxious to determine the government's intentions. Will the minister advise whether the government intends to introduce new legislation as foreshadowed in its response; if so, when will that legislation be introduced and which areas will be addressed?

Does the government intend to provide further terms of reference to inquire into those areas where the recommendations of the Law Reform Committee were not accepted, particularly on the subjects of Crown immunity and plant?

Saving Lives initiative

Hon. R. A. BEST (North Western) — The matter I direct to the attention of the Minister for Industrial Relations as the representative in the house of the Minister for Health in the other place relates to the announcement yesterday of the government's $77 million plan to attack the drug problem in Victoria.

At the outset I make it clear that the National Party welcomes yesterday's announcement and the strategies that the government intends putting in place to attack that scourge on the community. The $77 million plan will tackle issues such as extra rehabilitation, drug diversion programs, and programs for prisoners, and provide more workers in drug-related programs and more detoxification beds.

I represent the major regional centre of Bendigo which has a drug problem, as do many other country communities across Victoria. Given the government's announcement, will the Minister for Health provide information that assists the community to identify what money will be allocated to country Victoria? I accept that the initiative is to be spread across the state, but the National Party has legitimate concerns about how country Victoria will attack the problem of drugs in the community.

Members of the National Party want to know how much money will be allocated to rural electorates, particularly given the shortage of drug rehabilitation programs and workers and the virtual non-existence of detox beds. We welcome the Premier's announcement and believe it is a step in the right direction, but we want to know how the $77 million will be spent and what proportion will go to country Victoria.

Roads: funding

Hon. A. P. OLEXANDER (Silvan) — I raise with the Minister for Energy and Resources, as the representative in this house of the Minister for

Transport, the federal government's wonderful announcement yesterday of additional funding — millions of dollars over four years — that will be made available for local road projects in Silvan Province.

The City of Maroondah will receive an additional $1.93 million;, the City of Manningham, $2.36 million; the City of Knox, $2.73 million; and the Shire of Yarra Ranges, around $6.5 million. The federal government is to be congratulated for its commitment to road funding, which has been described as the most significant road funding announcement since federation.

The same cannot be said for the state government. Since it announced the reversal of its previous decision not to construct the Scoresby freeway, which was Labor policy, and which announcement was made in the absence of the Minister for Transport, I am advised that until today the federal transport minister had received from his state colleague only a four-paragraph submission for a $960 million project. It is a matter of record that the state government has received numerous and exhaustive representations from local members of Parliament, local councils and resident groups, and even the Royal Automobile Club of Victoria has called on the state government to get serious about the Scoresby freeway project.

I ask the Minister for Transport to state clearly and unequivocally his personal support for the Scoresby freeway project. Will he advise local councils and the local community in my electorate affected by the Scoresby project whether he has made any formal submission to the federal government and, if so, will he advise of its contents and make that advice available immediately?

Delta Car Rentals

Hon. E. C. CARBINES (Geelong) — I raise with the Minister for Consumer Affairs a matter I raised a few weeks ago concerning a constituent of mine who had been waiting seven months for the return of $1000 he paid to Delta Car Rentals. My constituent paid the $1000 to Delta Car Rentals following an accident, which was not his fault, involving a car he had hired while on holidays. He paid $1000 on the understanding that the money would be repaid as soon as the car was fixed. My constituent is unemployed with a young family. He has tried unsuccessfully to get his money back since the beginning of the year.

Hon. Bill Forwood — On a point of order, Mr President, I recall this issue being raised before. I ask Mrs Carbines to inform the house whether she is referring to the same person with the same car.

Hon. E. C. CARBINES — On the point of order, Mr President, I am about to get to the crux of the issue. I will ask the minister — —

The PRESIDENT — Order! The point being made is that a matter can be raised only once. If the honourable member is assuring me that it is not a repeat of a matter that was raised before, she may continue.

Hon. E. C. CARBINES — Mr President, I am asking the minister if she has any progress to report.

Honourable members interjecting.

Hon. E. C. CARBINES — I stress that my constituent is unemployed and has a young family. He has unsuccessfully tried since the start of the year to get his money back. As Christmas approaches I ask whether the minister has any good news for my constituent.

Snowy River Fine Timbers

Hon. P. R. HALL (Gippsland) — I raise with the Minister for Energy and Resources, as the representative in this place of the Minister for State and Regional Development, a request for funding for an incubator facility in Orbost. Snowy River Fine Timbers is an incorporated organisation that is in the process of establishing such a facility. The incubator will provide shared facilities for a number of people involved in value adding to the timber industry and will create about 10 new jobs.

Snowy River Fine Timbers has access to an excellent facility in Orbost, which I recently inspected. The facility has machinery to the value of some $90 000, several proposed tenants and potential markets with major Melbourne-based furniture manufacturers for the supply of component parts. I met with a Melbourne-based manufacturer recently and verified the existence of that potential market.

To get the incubator up and running a grant is needed to help with some establishment costs including power connection to the site, re-wiring to 3-phase power and commissioning of the machinery, initial funding to cover the first 12 weeks rental and administrative establishment costs at an estimated all-up cost of $20 000.

The government recently provided significant funds to assist a new timber operator in the township of Swifts Creek, reported to be in the order of $400 000. I welcome that commitment by the government, and ask whether the Minister for State and Regional Development is prepared to provide a grant of

$20 000 to Snowy River Fine Timbers in Orbost to assist in establishing an important incubator facility for the timber industry.

Crime Stoppers program

Hon. G. B. ASHMAN (Koonung) — I refer the Minister for Sport and Recreation who is the representative of the Minister for Police and Emergency Services in another place, to the funding crisis currently facing Crime Stoppers, of which all honourable members will be aware. The Crime Stoppers program has widespread community and police support, and there can be no argument about its value. It has assisted in solving a number of significant crimes and many minor offences. Frankly, it should be a part of the core funding for the police. Given that the government does not seem to be prepared to go down that path, I ask whether the minister will submit an application to the Community Support Fund for ongoing funding for this most important program.

Maryborough Caravan Park

Hon. D. G. HADDEN (Ballarat) — I raise for the attention of the Minister for Consumer Affairs concerns raised by constituents who are tenants of Princes Park caravan park owned by the Central Goldfields Shire Council at Maryborough. My constituents have been tenants of the caravan park for seven years. They own a three-bedroom mobile home, which they moved on to a site at the caravan park. They have always paid their rent, and they believe they are good tenants of the park.

During the past 12 months a new operator took over the lease of the council-owned caravan park. A dispute has arisen between my constituent tenants and the landlord in recent months, which has resulted in my tenants being served with a warrant by the police to physically leave the park by 30 November. To comply with the warrant my constituents would be required to move their mobile home, involving a relocation cost in excess of $10 000, to another caravan park outside Maryborough and away from their family, friends and services.

My constituents are devastated by the decision to evict them from the caravan park without specifying a reason, which they believe is unfair. I ask the minister to give some assistance by having her department conciliate the matter between the tenants and the caravan park landlord.

Workcover: settlement

Hon. ANDREW BRIDESON (Waverley) — I raise with the Minister for Industrial Relations, who is the representative in this house of the Minister for Workcover, an issue relating to an out-of-court settlement, case number 1999/5286, which was settled on 24 August this year.

The case, *Jaeger v. Brafferton Pty Ltd*, involved a Workcover claim before Judge Strong. Ms Jennifer Jaeger, my constituent, should have received her cheque within two weeks of the decision, but when it duly arrived it was made out to her late partner, a surveyor who was killed in a work-related car accident, which caused additional stress to her.

Naturally, the bank would not accept the cheque and it was returned to Workcover. Some three months have passed and Ms Jaeger is still waiting for the cheque. She has accrued considerable debts in pursuing the claim and is in a difficult financial situation.
Ms Jaeger's solicitor has issued a judgment in default writ 2000/06505, but has not received a response, which I am advised is highly unusual.

I seek the minister's immediate and unhesitating intervention to ensure that my constituent receives her replacement cheque in time for her to enjoy Christmas.

Bass Coast: sewerage dispute

Hon. G. D. ROMANES (Melbourne) — I raise with the Minister for Sport and Recreation, as the representative in this house of the Minister for Police and Emergency Services, a request by Mr Ken Smith on 1 November during the adjournment debate for police to investigate an issue involving allegations by Mr Smith regarding the mayor of Bass Coast Shire Council, Noel Maud, and local conservationists. It has come to my attention that the investigation by police has been completed and referred to the minister's office.

Will the minister confirm that the police investigation revealed that the allegations made by Mr Smith were uncorroborated and based upon apparently inconsistent information and that there was no evidence to implicate any person in any criminal offence? Further, will the minister indicate the extent to which valuable police resources have been diverted as a result of an unsubstantiated attack on the reputation of dedicated, caring community workers.

Beaches: Point Lonsdale

Hon. I. J. COVER (Geelong) — The matter I direct to the attention of the Minister for Energy and Resources as the representative in this place of the Minister for Environment and Conservation relates to works on the Point Lonsdale Front Beach, which is in

the electorate of Geelong Province. Over the past 12 months the Department of Natural Resources and Environment has undertaken a restoration project on the beachfront, erecting groynes to prevent erosion of the beach and ensure the foreshore is protected.

A number of residents are concerned that although the project has worked well and they are happy with the return of sand to the beach, maintenance issues associated with the works have not been attended to. Mr David Rowe of Point Lonsdale has contacted me to point out that in his view the quality and management of the project has been well below standard. He states that, among other things, the stones that were used are well under size, that there has been subsequent movement in the timber-based structure and that the project has been left in a deplorable condition in that poles, fencing and a large amount of concrete have been strewn around the foreshore.

Mr Rowe and others ask that the maintenance problems be addressed and that the project be finalised and then maintained. I call on the minister to take action to finalise the project and address the maintenance issues at Point Lonsdale.

Rail: legislative proclamation

Hon. B. W. BISHOP (North Western) — I raise a matter for the attention of the Minister for Energy and Resources as the representative in this place of the Minister for Transport. On 25 October the Transport (Miscellaneous Amendments) Bill passed through the Parliament. As the title suggests, the bill covers a number of investigatory procedures, including the powers of inspectors in the event of a train accident; how people being investigated or giving evidence are treated; and how alleged offenders can be detained or brought before a bail justice or the Magistrates Court.

It also addresses the complicated issues surrounding the rail access regime. If a party wishes to gain access from Freight Australia, which leases a major part of Victoria's rail lines, and agreement cannot be reached, the Office of the Regulator-General can either facilitate an arrangement between the two parties or make a determination on the cost of that access. Members of the National Party raised a number of issues relating to that part of the bill during the debate, and we will watch with great interest to see how the legislation operates in the real world of competition.

Although the bill was given royal assent on 8 November, it is still languishing somewhere — I suspect in the Department of Infrastructure. Can the minister tell me whether, if there is a hold-up, which section is causing the delay and when the bill will be proclaimed?

Carols by Candlelight

Hon. T. C. THEOPHANOUS (Jika Jika) — I raise a matter for the attention of the Minister for Industrial Relations as the representative in this place of the Premier. I refer the minister to the government's support for Carols by Candlelight, which will be held this year at the Myer Music Bowl. I also refer to the government's support, both financially and in other ways, of the Royal Victorian Institute for the Blind.

It has come to my attention that despite submissions by the RVIB and its supporters to the federal government about not having the GST apply to ticket sales, the latest advice is that the institute must charge between $1.70 and $4 in GST on ticket sales. That impost may affect the viability of the event, and it will affect the amount of money that could have gone to the RVIB rather than the federal government.

Will the Premier intervene to see whether anything can be done to convince the federal government not to impose an impost by the federal government that amounts to a tax on Christmas and a tax on the blind?

Australian defence reserve

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — I raise a matter with the Leader of the Government for the attention of the Premier in the other place. Honourable members will have received a letter from Mr Richard Bluck, the state chairman of the Defence Reserve Support Committee for Victoria, introducing the *Australian Defence Force Reserve Year Book 2000–01*.

In his letter Mr Bluck makes a number of points which are worth recording in *Hansard*:

> As a Victorian parliamentarian you are probably already aware that some 4000 fellow Victorians serve in the defence reserves of the navy, army and air force. Many of these reservists are responding to the challenge of dual careers — one civil, one military — in the best citizen–soldier tradition of Sir John Monash.
>
> …
>
> The Defence Reserves Support Council (DRSC) comprises volunteer representatives of employer and industry associations, trade unions, government and the general community. The DRSC operates at both federal and state levels to promote the benefits of reserve service and assist reservists to meet their training commitments.

Mr Bluck's letter extends an invitation to members of Parliament to visit reserve units at home or on exercise, to attend employer recognition nights, to observe

Exercise Executive Stretch activities and to meet reserve excellence award recipients. I encourage members of this chamber to take up that invitation.

The annual report does an excellent job in showcasing the work defence reserve members do around Australia. It is particularly worthy of reporting in the annual report that not only the members of the reserve but also their employers make a commitment to their service. The annual report contains a number of testimonials, including those of state premiers in support of the activities of defence reservists. However, I was disappointed to note in the current edition that the Premier of Victoria has not provided a testimonial in support of the activities of defence reservists, so I ask — —

Hon. Jenny Mikakos — On a point of order, Mr President, I have been listening to the honourable member for some time in the hope that he would get to the point quickly and indicate — —

Opposition members interjecting.

Hon. Jenny Mikakos — I have been waiting for the honourable member to indicate what the issue has to do with the administration of the state government. The last time I checked it was under the administration of the federal government.

Hon. G. K. RICH-PHILLIPS — On the point of order, Mr President, I was about to put the point to the minister.

Honourable members interjecting.

Hon. G. K. RICH-PHILLIPS — The point I was making is that the Premier has chosen this year not to provide a testimonial in the report. I encourage him to provide one next year, as his predecessor did.

Drugs: Naltrexone funding

Hon. ANDREA COOTE (Monash) — I raise a matter with the Leader of the Government for the attention of the Minister for Health.

Honourable members interjecting.

The PRESIDENT — Order! I ask the house to settle down. I know it is early in the night for us to be at this stage, but we will get home quicker if we all cooperate.

Hon. ANDREA COOTE — I welcome the government's drugs package, especially the emphasis on prevention. The Premier's media release of yesterday states that the government will be:

> Expanding methadone programs by 40 per cent, increasing support and training for doctors, nurses and pharmacists, trialling Narcan and alternative heroin treatments such as buprenorphine, and new services to treat people with a mental illness and drug dependency … among other initiatives.

I am concerned that the government's drug package does not include immediate support for Naltrexone funding. Within my electorate, which includes the electorate of the Minister for Health, there is an excellent organisation called The First Step.

It is a private organisation run by Lindy and Peter White. The Whites run a highly successful Naltrexone rapid detox program, which they are currently subsidising from their personal funds. It costs $2400 a year to provide a heroin addict with Naltrexone. New South Wales has been subsidising a Naltrexone program for the past six months, and Western Australia has been funding one for more than a year.

I ask the Minister for Health when the Bracks government will commence funding a Naltrexone program in Victoria, and in Albert Park specifically.

Trans-Otway Walk

Hon. P. A. KATSAMBANIS (Monash) — I raise with the Minister for Energy and Resources for the attention of the Minister for Environment and Conservation in the other place Sabine Falls in the Otway Ranges and the proposed Trans-Otway Walk. The issue is important to many Victorians and has been brought to my attention by a number of people in my electorate, including interestingly enough the Fitzroy branch of the Labor Party. The branch considered the issue at a meeting last night and passed a motion calling on the minister to act.

People are concerned about proposed clear-felling in the area adjacent to Sabine Falls, particularly the effect it will have on the environment of the area and the impact it will have on the proposed Trans-Otway Walk. The motion moved by the Labor Party branch meeting last night states, in part:

> The planned clear-felling of 77 hectares across the Sabine waterfall's headwaters and surrounding ridges would ruin proposals for the 70 kilometre Trans-Otway Walk, as the steep terrain and narrow boundaries of state forest around Sabine Falls mean there are no other routes except through the area scheduled for clear-felling.

Honourable members know the significance of the area around Sabine Falls and the importance of the completion of the Trans-Otway Walk in linking the existing Surf Coast Walk and the Great Ocean Walk to provide a proper walking track throughout that area.

I call on the minister to advise the public of Victoria, firstly, what action she is taking to protect the area from clear-felling, and secondly, what action she proposes to take to fund the creation of the Trans-Otway Walk.

Point Nepean army land

Hon. R. H. BOWDEN (South Eastern) — I refer the Minister for Energy and Resources as the representative of the Minister for Environment and Conservation in the other place to the considerable public interest in the southern part of the Mornington Peninsula in my electorate in a property south of Portsea generally known as the Portsea army base. The area, which was formerly used principally for army training and technical services, provides important conservation and environment opportunities and is an important historical site.

The army's operational use of the site ceased at the end of 1995 and negotiations have continued for several years about its possible transition to the state government and future use. The position is unclear. Will the minister advise the house of progress in negotiations to achieve certainty about additions to the Point Nepean National Park and provide information regarding the future status of other parts of this important property?

Goulburn Valley learning and employment network

Hon. E. J. POWELL (North Eastern) — I ask the Minister for Sport and Recreation to refer a matter to the Minister for Post Compulsory Education, Training and Employment in the other place. Earlier today the house debated two education bills, at which time mention was made of one of the recommendations in the Kirby report following a government-initiated review — a recommendation the government accepted. The recommendation was for the establishment of 10 to 14 local learning and employment networks, or LLENs as they are to be called.

Those LLENs are based on work done by the Northern Industry Education Board, a reputable organisation based in the north-east, which spoke to the government about its role and also put in a submission to the Kirby review and spoke extensively about what it does. Over the past four years that board has successfully linked industry, education, training, employment and local government in the region. The board had been funded by the former coalition government for three years. The funding ran out about 12 months ago, and the board met with the Labor government at the time seeking further funding. Although there has been no answer, the board is continuing its work voluntarily because of the needs in the community. The board has the community's absolute support and is working under the current chairmanship of Mr Gavyn Anderson.

Over the past couple of weeks requests for expressions of interest in the LLENs have appeared in the *Herald Sun*. Mr Eric Lund, who is an important person in the north-east of the state, is making a submission on behalf of the Northern Industry Education Board, which will be the auspicing body, for funding for a LLEN to be called the Goulburn Valley Food Bowl Local Learning and Employment Network. I ask the minister to give her strong support to the Goulburn Valley Food Bowl LLEN, given that that organisation will already have the necessary experience and networks, as well as the support of local industries, education providers, employment bodies and local councils.

Industrial relations: small business

Hon. W. I. SMITH (Silvan) — The Minister for Small Business knows quite well that the growth of small business and its survival is fundamental to the growth of the Victorian economy. I am sure she also understands that it is important to know what the impacts on small business will be of any changes introduced by the state government.

The minister acknowledged in answer to a question last week that she has not consulted with her Small Business Advisory Council about the impact a new state industrial relations system will have on small businesses. I ask the minister when she will consult with small business about the economic impact of a new industrial relations system and how she will do it.

Waverley Park

Hon. N. B. LUCAS (Eumemmerring) — I raise with the Minister for Sport and Recreation a matter to do with Waverley Park. Prior to the last election the Premier said, 'The first call I will make after the election is to Wayne Jackson'. Then on 4 November last year the Minister for Major Projects and Tourism in the other place said the government is still trying to save Waverley Park. Following that the Minister for Sport and Recreation said in this house on 10 November that the government will 'pursue every option to keep Waverley Park open'.

Minister Pandazopoulos inspired a heritage listing application by the City of Greater Dandenong, which cost that council more than $200 000. There is now a stalemate.

An article by Mike Sheahan at page 86 of the *Herald Sun* of 28 November states:

> The stalemate is starting to hurt football.
>
> Working on a resale value of $80 million — highly optimistic, but plausible — and an interest rate of 7–7.5 per cent, the impasse will cost the AFL $5.8 million next year. Or, $360 000 per club.

The article further states:

> While Steve Bracks, Justin Madden and Co. made reassuring noises about Waverley Park in the lead-up to the election that won them office, even to their surprise, it is far more likely they were pandering —

I use that word advisedly —

> to an electorate than committing to a bloody fight to preserve Waverley as an AFL venue.

It is time the minister came clean on this matter and gave the house an answer. Given that the last Australian Football League match held at Waverley Park was the Ansett Cup final last February, that no AFL home-and-away or finals matches were held there during the season and that no AFL matches have been scheduled for next year, will the minister now admit that the government has failed in its promise to keep AFL football at Waverley?

Honourable members interjecting.

The PRESIDENT — Order! I wish I had a camera so I could show honourable members a film of the way they are behaving tonight. They are like a lot of school kids the night before break-up, which is what it is.

Drugs: rave parties

Hon. M. T. LUCKINS (Waverley) — I raise a matter for the attention of the Minister for Youth Affairs. The minister will recall that on 3 October I raised a matter during the adjournment debate about the drug culture that is prevalent at rave parties and concerns relating to the age of participants who are predominantly minors.

The Melbourne Museum has agreed to hold two rave parties on 26 and 31 December, which will be conducted from 9.00 p.m. until 9.00 a.m. The local residents have expressed concern about the noise. Will the minister provide an undertaking to the house that children under the age of 18 years will be excluded from the two rave parties if the organisers cannot guarantee a drug-free environment?

Liquor: licences

Hon. BILL FORWOOD (Templestowe) — The issue I wish to raise with the Minister for Small Business goes to the 8 per cent packaged liquor licence and her response to a question asked by Ms Romanes on 3 October.

Ms Romanes asked the minister what she was doing to ensure adequate consultation on the 8 per cent review. In her answer the minister made a number of assertions. She said the government was keen to ensure that anyone who wants to can make a contribution, that she had written to all peak bodies, independent store owners and licensed grocers, and that the first meeting was held in Box Hill the previous night.

Hon. M. M. Gould — On a point of order, Mr President, I want to clarify whether the honourable member is reading from *Hansard* or just paraphrasing it.

Honourable members interjecting.

Hon. BILL FORWOOD — On the point of order, Mr President, I understand I have the right to read it under the rulings given by previous Presiding Officers. I was paraphrasing, but I was about to read a particular sentence, which I have the right to do.

The PRESIDENT — Order! This issue arises from a reference to a question. Honourable members might recall that a distinction has been made between references to debates on bills and motions in the other house, whereas references to questions may be used in this house. There is a long line of precedents to that effect.

Hon. BILL FORWOOD — The minister responded that the first meeting in the public consultation process had been held the night before in Box Hill. To that I interjected, ‘How many turned up?’, to which the minister responded, ‘In excess of 30’.

I have in front of me a letter from Martin Oakley, who I understand is the director of regulation reform in the Department of State and Regional Development. The letter is written to a person in Bendigo about the review of the 8 per cent limit. It states:

> Thank you very much for coming to the public meeting.
>
> You and your industry made an outstanding contribution to our public consultation as part of the … review.
>
> The 10 … meetings held in regional and metropolitan Victoria were a great success with more than 100 people attending.

It is easy to do the maths: 30 went to the one in Box Hill and there were 9 other meetings, so 70 must have attended the meetings around the rest of Victoria. The letter continues:

> We know it's difficult to get away … we appreciate your time.

The letter addressed to me came with a note:

> Just for your interest. A letter I received after attending the liquor forum in Bendigo. I was the only person there with two departmental officials. Great for me, I got an individual briefing …

Will the minister now tell the house what the cost of the consultation process was, how many people attended each meeting and whether she will admit that it has been a sham from start to finish?

Carols by Candlelight

Hon. K. M. SMITH (South Eastern) — I raise for the Minister for Energy and Resources, as the representative of the Treasurer in the other place, a matter that follows on from a question posed by Mr Theophanous earlier this evening. As from 1 July this year there was a reduction in the pay-as-you-earn (PAYE) tax for wage earners, an increase in pensions and other benefits, a reduction in wholesale sales tax, a one-off payment to superannuants and retirees, and of course the halving of capital gains tax, all of which were part of the new tax package. Does the minister agree that with those significant improvements people will have more money in their pockets to go to Carols by Candlelight this year and support the Royal Victorian Institute for the Blind?

Hon. T. C. Theophanous — On a point of order, Mr President, I ask that you rule Mr Smith's question out of order on the grounds that it is not within the administrative competence of the minister and is not couched in a way that is relevant.

Hon. M. A. Birrell — On the point of order, Mr President, I think it is clear from the way you have allowed a series of questions to the Minister for Small Business on the GST over the past 12 months that you consider the GST to be a state issue because of its impact on Victoria. Regardless of whether honourable members agree with that, it has been the practice to allow discussions on the issue of the GST and what impact it has on a variety of areas in the state. Therefore I would have thought the matter Mr Smith raised in the adjournment debate was legitimate.

Hon. Jenny Mikakos — Further on the point of order, Mr President, Mr Smith did not actually refer to the GST in his question. He did refer to a number of federal tax initiatives, including the PAYE tax changes and a number of social security changes, but not to the GST. Mr Birrell's contribution is not relevant to the issue at hand.

The PRESIDENT — Order! Given that the sticky bun issue, which had a particular connotation, was resolved some time back, that I gave a ruling in favour of the minister last week and that I allowed a question about it tonight, it is a bit hard at this stage to try to draw the line — —

Hon. Jenny Mikakos — This is not on the GST at all!

The PRESIDENT — Order! It is on the federal tax package, of which the GST is a part. However, I have to say that if a different point of order had been raised I would have ruled the question out of order, but as it was not made, I will not.

Nuclear-powered warships

Hon. R. M. HALLAM (Western) — I raise a matter for the Minister for Industrial Relations. I hope the minister is impressed that I have yet another searching question for her in her capacity as Leader of the Government, and one which goes to a sensitive issue of government policy.

I refer the minister to the recent comments of her Premier about the government's policy on nuclear warships visiting Victorian ports. The thrust of the Premier's comments was that he would be pleased to welcome any nuclear-powered ship and that, in any event, it would not normally be known whether a ship was nuclear powered or not. However, the Premier said that nuclear-armed ships were a different question and that such ships would certainly not be welcome. Can the minister explain to me and a bemused community why the government expects a visiting naval captain not to disclose whether his ship is nuclear powered but to own up if it is nuclear armed? Can the minister explain to the chamber the difference in terms of inherent risk?

Responses

Hon. M. M. GOULD (Minister for Industrial Relations) — The Honourable Bill Baxter raised a matter for the attention of the Minister for Health, and I will refer it to the minister for his response.

The Honourable Ron Best referred a matter to the Minister for Health. I acknowledge his support for the government's drug policy. I will pass on to the minister

the matter he raised, which related specifically to regional areas, and ask him to respond.

The Honourable Andrew Brideson raised a matter about a constituent on Workcover, providing specific details about the case number. I will ensure the minister is made aware of it first thing tomorrow morning and get him to respond.

The Honourable Theo Theophanous raised a matter for the Premier about the difficulties faced by the Royal Victorian Institute for the Blind in having to pay GST on Carols by Candlelight. I will raise that with the Premier and ask him to respond to the honourable member in the usual manner.

The Honourable Gordon Rich-Phillips also raised a matter for the Premier concerning the army reserve. Normally I would not say anything, but he referred to the Exercise Executive Stretch weekends. I know the Honourable Glenyys Romanes took up the offer and spent a weekend with the army reserve. She thought it was terrific and is encouraging all other honourable members to participate. The government also supports and acknowledges the actions of the army reserve in East Timor and Bougainville and at the Sydney Olympics. It does a terrific job.

The Honourable Andrea Coote raised a matter for the Minister for Health about the government's drug policy, which she acknowledged is a good initiative. I will ask the minister to respond to the specific matter she raised in the usual manner.

The Honourable Roger Hallam referred to comments made by the Premier. The issue is that the captains of United States nuclear-armed ships do not tell people whether the ships are nuclear-armed or otherwise. They never do.

Hon. R. M. Hallam — Can I ask as a matter of courtesy what happened to the answer to my question?

Hon. M. R. Thomson — She just answered it: they never do.

Hon. R. M. Hallam — What happened to it?

Hon. M. M. GOULD — That is the issue: they never tell you.

The PRESIDENT — Order! This is not question time. The minister's response disposes of the matter.

Hon. C. C. BROAD (Minister for Energy and Resources) — The Honourable Andrew Olexander asked the Minister for Transport to provide certain advice about the Scoresby freeway. I will refer that to the minister.

The Honourable Peter Hall asked the Minister for State and Regional Development for advice on whether a grant is available to assist Snowy River Fine Timbers to establish an incubator facility at Orbost. I will refer that matter to the minister.

The Honourable Ian Cover asked the Minister for Environment and Conservation to take action regarding the completion of beach works at Point Lonsdale and related maintenance issues. I will refer that matter to the minister.

The Honourable Barry Bishop asked the Minister for Transport for advice on the proclamation of amendments made during the session to the Transport Act. I will pass that request on to the minister.

The Honourable Peter Katsambanis asked what action the Minister for Environment and Conservation is taking to protect Otway forests and secure the Trans-Otway Walk. I will refer that matter to the minister.

The Honourable Ron Bowden asked the Minister for Environment and Conservation for advice on certain additions to the Point Nepean National Park. I will refer that matter to the minister.

The Honourable Ken Smith asked the Treasurer to express an opinion about the impact of the federal government's tax package. I am sure he will oblige.

Hon. M. R. THOMSON (Minister for Small Business) — The Honourable Carlo Furletti raised for the attention of the Attorney-General the Law Reform Committee's report on its inquiry into the Fences Act. He asked whether the government will introduce legislation and whether further terms of reference will be announced for the committee's investigation. I will refer the matter to the Attorney-General.

The Honourable Elaine Carbines raised a matter concerning a constituent who paid $1000 in car accident insurance to Delta Car Rentals in Queensland and was later involved in an accident that was not his fault. The honourable member sought information about a rebate. I believe the department has resolved the matter and that the constituent will receive his money in time to look after his kids for Christmas.

The Honourable Dianne Hadden raised a matter concerning residents of the Princes Park caravan park in Maryborough, which has had a change of landlord. She referred to a dispute that has raised problems for

her constituents, who faced an eviction order and the consequent cost of having to remove their mobile home to another place away from Maryborough and their family. I will raise that issue with the department to see whether its officers can help conciliate to the benefit of all parties.

The Honourable Wendy Smith asked about the impact on small business of the new industrial relations system and my preparedness to consult with the sector. I will consult with the small business peak bodies on any issue that impacts on small business.

Honourable members interjecting.

The PRESIDENT — Order! Members shouting makes it difficult for the minister and the house.

Hon. M. R. THOMSON — On the other hand, the Honourable Bill Forwood said he does not want the government to consult on the 8 per cent packaged liquor licence issue. The honourable member does not have a good record for raising issues in the house. The government wants to give people the maximum opportunity to have input during the consultative process. The government does not force people to consult — they choose to do so. The government does not apologise for making its members available to consult on issues impacting on constituents.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — The Honourable Chris Strong raised a matter about a raffle being conducted in Springvale. I will refer that matter to the Minister for Gaming in the other place.

The Honourable Gerald Ashman asked about funding for Crime Stoppers. I will refer that matter to the Minister for Police and Emergency Services in the other place.

The Honourable Glenyys Romanes asked about unsubstantiated allegations made by the Honourable Ken Smith. I will refer that matter to the Minister for Police and Emergency Services.

The Honourable Jeanette Powell asked about the potential for an organisation to become the Goulburn Valley Food Bowl Local Learning and Employment Network. I will refer that to the Minister for Post Compulsory Education, Training and Employment in the other house.

The Honourable Neil Lucas asked about Waverley Park. He will appreciate that the heritage listing assessment was an independent process, and he will also appreciate that the Australian Football League is still considering its options. Because he obviously reads the newspapers, Mr Lucas will also appreciate that the television rights negotiations between rival bidders may hold the key to Waverley Park. Although I appreciate the persistent nature of Mr Lucas's questions over the past 12 months, I wonder whether he was so persistent in his own party room when the Kennett government was deciding the future of Waverley Park. I wonder if during that time Mr Lucas was so persistent or if he just remained conveniently silent.

I will refer the question from the Honourable Maree Luckins about the age limit of those accessing rave parties to the Minister for the Arts in the other place. I am happy to discuss that issue with her.

Hon. M. T. Luckins — Mr President, I am hesitant to raise a point of order at this time, but my question was to the Minister for Youth Affairs. I raised with him a significant matter about youth, and I ask the minister to respond.

Hon. J. M. MADDEN — On the point of order, Mr President, while I appreciate the honourable member's question and I believe I have acknowledged that, I do not have power over or responsibility for the museum, so I will refer that to and, as I said, discuss it with the Minister for the Arts in the other place.

Motion agreed to.

House adjourned 10.27 p.m.