The SPEAKER (Hon. J. E. Delzoppo) took the chair at 10.04 a.m. and read the prayer.

PETITION

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

Privatisation

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

The humble petition of the undersigned citizens of the state of Victoria showeth that the planned selling off of the SECV, Melbourne Water and the Gas and Fuel Corporation by the Victorian government will lead to:

1. Higher prices for electricity, water and gas.
2. Foreign ownership of Victoria's assets.
3. Cuts to services resulting from the loss of $700 million a year dividends which are paid to the Victorian government by these utilities.
4. Higher taxes to make up for the lost revenue to the state government.
5. Environmental damage resulting from private companies interested in selling more electricity, not in encouraging energy conservation and efficiency.

Your humble petitioners therefore pray that the state government immediately abandon its privatisation campaign and ensure that these services stay in Victorian hands.

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

By Ms Garbutt (325 signatures)

Laid on table.

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Information technology in public sector

Mr WEIDEMAN (Frankston) presented report of Public Accounts and Estimates Committee on information technology in public sector, together with appendices and minutes of evidence.

Laid on table.

Ordered that report and appendices be printed.

LAW REFORM COMMITTEE

Curbing the Phoenix Company

Dr VAUGHAN (Clayton) presented report of Law Reform Committee on inquiry into law relating to directors and managers of insolvent corporations entitled Curbing the Phoenix Company — Second Report, together with appendices and submissions.

Laid on table.

Ordered that report and appendices be printed.

BLF CUSTODIAN

The SPEAKER presented 31st report given to him pursuant to section 7A of BLF (De-recognition) Act 1958 by the Custodian appointed under section 7(1) of that act.

Laid on table.

Ordered to be printed.

PAPERS

Laid on table by Clerk:


Mr PERTON (Doncaster) presented discussion paper of Scrutiny of Acts and Regulations Committee on section 85 of Constitution Act 1975.
APPROPRIATION MESSAGES

Messages read recommending further appropriations for:

Business Franchise (Tobacco) (Amendment) Bill
Grain Handling and Storage Bill

MINISTER FOR PUBLIC TRANSPORT

Mr BATCHelor (Thomastown) — I desire to move the adjournment of the house for the purpose of discussing a matter of public importance, namely —

Honourable members interjecting.

The SPEAKER — Order! Adjournment motions demand the attention of the Speaker, and they should receive the attention of house. The honourable member for Thomastown will be heard in silence.

Mr BATCHelor — Mr Speaker, I desire to move that the house do now adjourn for the purpose of discussing a definite matter of urgent public importance, namely, the revelations by Mrs Lorraine Perry on 28 and 29 May of the abuse by the Minister for Public Transport of his ministerial position.

The SPEAKER — Order! The other more important matter that exercised my mind was that the adjournment motion should not be a matter that could be raised by substantive motion or address. That rule is well known to members of this house because unless a matter is raised by substantive motion the house cannot come to any conclusion about censuring or taking some other action against a member.

Unless a discussion is based on a substantive motion drawn in proper terms, reflections must not be cast in debate on conduct of members of either house of Parliament. I refer honourable members to the current edition of May at page 379. May also says at page 325:

Certain matters cannot be debated, except on a substantive motion which allows a distinct decision of the house. Amongst these [among other things] are ...

I therefore rule that the motion is out of order on three grounds: firstly, it is not a matter dealing with government administration; secondly, the matter should be dealt with by way of substantive motion; and, thirdly, although not as strongly, the terms in which the motion is couched must be more definite. I do not accept the motion.

Mr Batchelor — On a point of order, Mr Speaker, I raise with you the ruling you have just given.

Honourable members interjecting.

The SPEAKER — Order! In order to do justice to the point of order, I ask the house to come to order and listen in silence.

Mr Batchelor — I raise with you the ruling you have just given, which in effect rules out the adjournment motion. I take issue with some of the
positions you have put in your ruling. I should like to address firstly the question of whether the matter deals with government administration; we need to resolve that issue. That is the threshold issue. It is the nub of what the opposition seeks to have discussed today and is crucial to its argument and to the points you have made in your ruling.

I do not believe that, in effect, there is much difference in what is being said. The proposed adjournment motion says the issue is a matter of government administration. It goes to the very heart of government administration and deals with absolutely fundamental matters. It deals with issues that could be construed only as government administration because there is nothing more fundamental to government administration than a minister's conduct. That is what the proposed motion seeks to address.

The way a minister conducts himself or herself dictates his or her actions and behaviour. You cannot separate the minister from the behaviour; they are crucially linked. Accordingly, you cannot separate the ministerial behaviour from the administrative outcome. What I am arguing very clearly — —

Dr Naphine — On a point of order, Mr Speaker, — —

The SPEAKER — Order! I will settle the point of order raised by the honourable member for Thomastown first and will then hear the honourable member for Portland.

Honourable members interjecting.

The SPEAKER — Order! It is up to the Chair to decide points of order in any manner he chooses.

Mr Batchelor — The proposed motion seeks to address the very heart of administrative matters. It seeks to address the way the Minister for Public Transport has conducted himself, and that goes to the very heart of government administration.

In the debate on the motion we will address exactly those types of issues. We saw as recently as last night and this morning that the conduct of a minister is very pertinent to administration. Recent examples could not demonstrate that more clearly. In those circumstances, where the government of the day has acknowledged that the private conduct of a minister goes to the heart of administration, we believe it is entirely appropriate for Parliament today to discuss the actions of another minister and the way they affect his administration.

We asked questions about this matter yesterday. We asked whether or not the administration of the Minister for Public Transport had been affected by his conduct in other matters. We believe the failures and mismanagement in public transport over the past couple of years are directly linked with the conduct and behaviour of the minister. The situation outlined by Lorraine Perry makes that very clear. We believe Parliament should be given the opportunity to debate that issue this morning.

The SPEAKER — Order! I do not intend to allow the debate on the point of order to go on and on.

Mr Micallef — It is a very serious question.

The SPEAKER — Order! I understand that. The honourable member for Springvale does not need to remind the Chair of the seriousness of the matter. I will not allow the time of the house to be taken up with endless points of order. I have listened to the point raised by the honourable member for Thomastown and I take it that it expresses the opinion of those sitting behind him. I am not persuaded that the matter has any direct bearing on government administration. Therefore, finally, I reinforce my ruling that the motion is not acceptable.

Dr Coghill — On a point of order, Mr Speaker — —

Honourable members interjecting.

The SPEAKER — Order!

Dr COGHILL — I invite you, Mr Speaker, to inform and advise the house of the clarification which is required of your ruling on the motion and also the latter point of order by the honourable member for Thomastown.

As the house is well aware, and as is well documented in May, it is the responsibility of the Chair to defend the rights of the minority to raise matters in and to have them considered by the house. I remind the house of its wording:

That the house do now adjourn for the purpose of discussing a definite matter of urgent public importance, namely, the revelations by Mrs Lorraine Perry on May 28 and 29 of the abuse by the Minister for Public Transport of his ministerial position ...
In commenting on the motion proposed to be moved by the honourable member for Thomastown the Chair expressed a view as to whether the revelations by Mrs Perry were matters of government administration. I put it to you, Mr Speaker, that that is an expression of opinion as to whether the minister was acting in a ministerial capacity in the matters raised by Mrs Perry. I put it to you that that is a matter that should be determined by the house, not by the Chair, because in determining that matter the Chair is prejudging the subject matter of the motion.

Mr Gude interjected.

Dr COGHILL — The Leader of the House says it is determining the relevance, but if he examines it carefully he will find that the motion is very narrow and carefully designed so that it is confined to the responsibilities of the Minister for Public Transport as a minister.

To rule the question out of order, as you have done, Mr Speaker, creates the impression that the Chair has expressed an opinion as to the nature of the events rather than allowing the house to determine it.

I further put it to you, Mr Speaker, that the suggestion that the motion reflects on the minister is a misreading of it, because the motion does not make any allegations or cast any aspersions against the minister; it simply gives the house the opportunity to consider the minister’s activities as a minister and whether they have relevance to the matters that occurred as revealed on the two dates by Mrs Lorraine Perry.

The effect of the ruling you have given, Mr Speaker, has been to prejudice the motion and to deny the minority an opportunity to raise this important matter of public concern in the place where it should be raised: the Parliament of Victoria.

I put it to you, Mr Speaker, and to the house, that it is important that you clarify for the house for the benefit of its future conduct the steps which will be taken by the Chair to protect the rights of and the opportunity for the minority, the opposition, to raise a matter of genuine public concern in the house and the circumstances in which the Chair will place an interpretation on a motion which is raised in the house, rather than simply making a decision on the face of the words of the motion.

The SPEAKER — Order! I should have thought that, of all the members of this house, the honourable member for Werribee would be well aware of the responsibility of the Speaker in dealing with adjournment motions. He should know better than to suggest that the Speaker is in some way out of order in making a prejudgment on a motion presented to the house.

If he consulted May 17th edition, from which all Speakers have taken guidance on these things, he would see that it is the responsibility of the Speaker to make a prejudgment to see, and May uses the words, ‘if there is a prima facie case’. The Speaker has done just that. The 17th edition of May lays out for the Speaker the rules by which he can see whether business can be interrupted in order to bring on such a motion. It is an interruption of the usual running of the house. I believe the question of prejudgment is the responsibility of the Chair, as it has been the responsibility of other Speakers before me.

The honourable member for Werribee argues that the motion does not reflect upon the member concerned. I put it to the house that the very use of the word ‘abuse’ in the wording of the motion is a reflection upon —

Mr Brumby interjected.

The SPEAKER — Order! I am not talking about being censured or condemned; I am talking about reflections.

Honourable members interjecting.

The SPEAKER — Order! I have heard sufficient on the point of order and accordingly I rule that the motion is inadmissible.

Mr BRUMBY (Leader of the Opposition) — Mr Speaker, — —

The SPEAKER — Order! It must be a fresh point of order.

Mr BRUMBY — It is a motion by leave.

The SPEAKER — Order! The Leader of the Opposition.

Mr BRUMBY — I desire to move by leave:

That this house censures Mr Speaker for his ruling today to preclude debate on a definite matter of public
importance, namely, the revelations by Mrs Lorraine Perry on May 28 and 29 of the abuse by the Minister for Public Transport of his ministerial position, as a consequence further precluding debate, thereby bringing the Chair and the house into disrepute.

Honourable members interjecting.

The SPEAKER — Order! The house will come to order.

Leave refused.

Mr BATCHELOR (Thomastown) — I desire to move by leave:

That this house censures the Minister for Public Transport for his disgraceful conduct in visiting Mrs Lorraine Perry of Wonthaggi in March of this year, two days after her husband’s funeral, when he demanded she sell the stock of her nursery, gave her only seven days to agree and said that unless she agreed he would run her out of business and for:

breaching the members of Parliament (Register of Interests Act) 1978 section 3(1)(a)(i), which provides that members shall accept that their prime responsibility is to the performance of their public duty and therefore ensure that this aim is not endangered or subordinated by involvement in conflicting private interests;

breaching the Members of Parliament (Register of Interests) Act 1978 section 3(1)(a)(ii), which provides that members shall ensure that their conduct as members must not be such as to bring discredit upon the Parliament;

breaching his particular obligations in relation to section (3)(f) of the Members of Parliament (Register of Interests) Act 1978 whereby a member who is a minister is expected to devote his time and talents to the carrying out of his public duties, and section 3(e) whereby a member who is a minister shall ensure that no conflict exists, or appears to exist, between his public duty and his private interests;

his abuse of his position of authority as a local member of Parliament;

his deception in that he approached Mrs Perry under the guise of a sympathetic local member to offer condolences for the tragic death of her husband when in reality he sought to intimidate her into relinquishing her proprietary rights in her nursery in Wonthaggi at a hugely discounted price;

and accordingly calls on the minister to apologise to Mrs Perry for his disgraceful behaviour in threatening to close down her business two days after her late husband’s funeral and, failing that, to resign.

Leave refused.

PRESCHOOL MANAGEMENT COMMITTEES

Ms GARBUTT (Bundoora) — I move:

That this house calls on the government to introduce legislation to amend the Associations Incorporation Act 1981 or to take any steps necessary to ensure that members of kindergarten committees of management are not personally liable for debts incurred by kindergartens, ensuring that the costs of these actions are not borne by the kindergarten committees.

The motion asks for some protection for the parents of preschoolers who have voluntarily sat on preschool committees of management, usually for one year, to manage their respective preschools. At present parents believe they are protected by the Associations Incorporation Act 1981 from personal liability for any debts incurred by the kindergarten. However, as I shall explain, considerable doubt has been cast upon that belief. The motion urges the government to take steps by amending the Associations Incorporation Act, if it chooses that avenue, or by any other method that is effective and does not involve extra cost for preschool committees and the parents.

A number of changes made by the government approximately two years ago to the management and funding of preschools has led to concerns about the liability of preschools for debts. The changes included a 20 per cent funding cut, but many preschools suffered a larger cut of up to 30 per cent. Changes were made to the management of kindergartens by making them responsible for the employment of staff and the management of the kindergarten. Previously the salaries of staff had been paid by the government through a central payment plan, although everyone understood that the preschool committees were notionally the employers but they did not have to carry out the functions they now have. In any case there was sufficient funding to pay the salaries and running costs of kindergartens.
However, following the changes last year and this year the preschool committees of management are now responsible for the employment of staff, which usually includes two teachers, assistants and cleaners or gardeners, if they are used. The committees are responsible for the staff employment contracts because the conditions of employment for staff have changed. Considerable negotiation has been undertaken to establish new employment contracts. Over the past 18 months industrial relations for preschools have been difficult because of the new employment contracts and because there is insufficient funding, which has meant arrangements, conditions and wages of teachers and assistants have had to change, and this has had to be negotiated.

The committees are responsible for the total budgets of preschools, which include payment of salaries, receiving government contributions, which are inadequate but which are a substantial part of the budget, and collecting fees from parents. Fees have increased from an average of $40 a term, totalling $160 a year, which were largely voluntary, to $100 a term and $400 a year, and this has led to problems obtaining payment of fees.

There is a considerable shortfall despite the government funding and the fees paid by parents, and therefore considerable funding efforts have to be undertaken. A typical preschool may require fundraising of $4000 or $5000 a year. The work of organising and accounting for that falls squarely on parents and the committee of management.

The new arrangements for preschools have meant that there are new hours for preschool children, and many have moved to more flexible arrangements. That was welcomed but it was happening anyway! The minister pointed that out when he made these changes. A whole range of new revenue measures has been put in place for kindergartens to meet funding shortfalls, and many now operate one or two three-year-old groups. Some offer extra child-care outside preschool hours, which can be held before the session, at lunchtime or after the session, and sometimes vacation child-care is offered as well.

Some preschools have become entrepreneurial by necessity by offering parent groups, kindy gyms and other fundraising activities which have value in themselves but which also bring in extra fees to cross-subsidise the four-year-old groups, which is the main focus of their activities. All of these extra revenue measures — the three-year-old kindergarten groups, kindy gyms and parenting classes — support the kindergartens by keeping them viable, but they add another problem under the Associations Incorporations Act because the kindergartens may be trading.

I shall refer to the act and explain why the committees may find they are not covered by it. I refer to a written legal advice from Corrs Chambers Westgarth provided to Kindergarten Parents Victoria. In its summary it states:

There is a significant risk that the members of the committee of management of kindergartens registered as incorporated associations under the act will be liable under the act for all debts and liabilities incurred by kindergartens.

The detailed advice explains that section 51 of the act states, in part:

(1) An unincorporated association shall not:
   (a) trade;
   (b) secure pecuniary profit for its members ...

(3) The members of an incorporated association that are deemed to have committed an offence — —

Mr Thompson — On a point of order, Mr Deputy Speaker, the shadow minister seems to be quoting from a document. Can that document be tabled?

Ms GARBUTT — I am happy to table it. I would like it incorporated in Hansard, if that is possible.

The DEPUTY SPEAKER — Order! I do not think we will go that far. The honourable member has said she is willing to table the document at the completion of her speech.

Ms GARBUTT — Thank you, Mr Deputy Speaker. I urge the honourable member for Sandringham to read the document in its entirety because the problem has been worrying preschool associations for 12 months. The opposition wants the government to act on the advice. Section 51(3) of the act states:

The members of an incorporated association that are deemed to have committed an offence against section 51 are jointly and severally liable to any creditor of the incorporated association for all debts and liabilities incurred by it in or in consequence of the trading or securing of pecuniary profit for its members.

So it addresses the question: do the kindergartens trade? The advice continues:
We believe that there is a significant risk that the kindergartens are trading within the meaning of the act as the principal purpose of the kindergartens is to provide substantial services to the public for value, and the kindergartens do not engage in any other significant activities.

Therefore, pursuant to section 51(3) of the act, the members of the committees of management of the kindergartens are likely to be jointly and severally liable for all debts and liabilities of the kindergarten.

The advice talks about possible exemptions:

As a result, we believe the simplest method by which the kindergartens can escape the effects of section 51(1) is to make application to the minister for a declaration that the prohibition against trading does not apply to them.

That advice was provided by Corrs Chambers Westgarth to the Kindergarten Parents Victoria, and it suggests how the minister can overcome the problem. I have taken up the suggestion in drafting a private member's bill, which would exempt preschools and kindergartens from any trading prohibitions in section 51(1) of the Associations Incorporation Act and overcome the problem of liability. The bill is simple and contains only three clauses in a couple of pages. I am happy to table it for the minister's benefit. But he is not interested any more. He has gone — what a shame! That is all it would take to exempt everyone who is worried about legal liability.

The minister could support the passing of the draft bill. A much larger bill was debated yesterday, which we were to take a week to debate because it was deemed to be important. But the minister does not see the importance of the bill to preschools. He is avoiding taking action when it would be simple for Parliament to give liability protection to preschools. An analogy can be drawn with the position of parents on school committees and councils. Not so long ago legislation was passed that gave legal indemnity to those parents who were members of school councils. Schools deal with large amounts of money, which is why the then Labor government saw the need to protect school parents from legal action. The government has failed to offer the same protection to preschool parents, who work very hard on their committees of management to make sure their preschools run efficiently. We still have an excellent preschool system — no thanks to the government. The parents are the ones who put in the time and who are owed our thanks.

The argument that the Associations Incorporation Act will not protect parents has been proved by the actions of the minister himself in another context. We are all aware of the savage cuts in services for people with intellectual disabilities and that the Kew Cottages and St Nicholas Parents Association is taking legal action against the state government. I will not go into the details of that action, but it is interesting that when the parents were talking about the legal costs of the challenge the minister warned them that they ran a real risk of having to pay if costs were ordered against them. As reported in the Age of 10 April 1995, he said:

... the shell of incorporation (of the association) may not be the ultimate protection that the parents feel confident about.

It would be interesting to hear the minister explain whether he meant that the Associations Incorporation Act does not protect parents from being sued for costs individually and jointly. If the Kew Parents Association did not have the money to pay its costs as well as those of the government, did the minister mean to say the parents might have to pay the costs individually? I think that is what he meant; and the parents certainly thought he was threatening them with that. The minister has recognised there is a problem with the act because it does not cover all those associations, just as it does not cover the parents who volunteer hours and hours of their time to work on kindergarten committees. It is not as though the minister is not aware of the problem with kindergarten associations because it has been raised with him and other ministers including the Attorney-General, who has responsibility for the Associations Incorporation Act. Kindergarten Parents Victoria (KPV) has written to the Attorney-General pointing out that most of the members of the voluntary committees of management are women, many of whom are inexperienced in both legal and financial matters and running preschools but who are having to learn very quickly.

On 3 May last year KPV wrote to the Attorney-General, who is also the Minister responsible for Women's Affairs, sending along the legal advice I have quoted from. Other legal advice was obtained from Robert Wright. Both pieces of advice point out the problems of liability and ask the Attorney-General to take some action. KPV also wrote to Ms Ros Hunt, the executive director of the women's affairs section, explaining the problems in some detail. In the letter the parents outline the changes in the management responsibilities of the
centres. They refer to their responsibility for employing staff and the application by the union to move to federal awards, which the committees had to deal with and which, of course, was successful. They talk about new employment contracts, the significant changes to work practices, their financial management responsibilities and so on.

The letter contains legal advice from Robert Wright, a solicitor, who is an expert on the Associations Incorporation Act, and the legal advice from Corrs Chambers Westgarth I have referred to. It points to the individual liability problems and says that 75 per cent of kindergarten committees of management comprise women who act in voluntary capacities. Their work usually spans only one year because normally a child attends preschool only for that time. Sometimes members stay on, but the main problem is the high turnover of committee members, and their skills and experience are not easily passed on to the next lot of committee members.

It is quite clear that the government has been advised about the problems facing kindergarten committees. Kindergartens are also well advised of the problems. Kindergarten Parents Victoria, which represents about 700 kindergarten committees, sent out an alert to kindergarten committees advising them of their liabilities. KPV points out the liability under the Associations Incorporation Act and sets out the points I have made but also refers to liabilities under common law, a breach of fiduciary duty, a breach of duty of skill and care — which committee members have to be alert to — and that committee members could be liable for unremitted group tax and in some circumstances could be responsible under the Occupational Health and Safety Act. I will refer to those issues again because kindergartens are running into those problems.

The KPV alert then describes the steps a committee can take to reduce its liability. Basically they are fairly difficult. There is reference to the rules of association including a rule that states that the:

Association is authorised to trade in accordance with section 51 of the Associations Incorporation Act.

I will come back to that. It suggests that each committee:

2. Ensures that there are ‘quarantined’ moneys to be used for staff salaries and entitlements.

3. Ensures that at each meeting the treasurer specifically reports whether the association can meet its debts as and when they fall due.

4. Directs that a copy of the bank statement goes to a person other than the treasurer. This provides independent verification of information provided in reports to committee meetings.

So KPV is suggesting the steps kindergarten committees should take to protect themselves. However, it is only natural that not all committees will do all those things all the time. Some committee members may be distracted by responsibilities to their families or their employment. The committees are made up of volunteers who have many other aspects of their lives to attend to. It is easy for people to forget or to put something aside or to make a mistake in an area with which they are not familiar, such as financial transactions and industrial relations. They are areas in which people spend their lives developing professional skills, yet the government expects members of kindergarten committees to have those skills or to be ready at the drop of a hat to volunteer hours to develop them! It does not work that way.

Many committees would not take the advice of KPV. They are people with the usual failings and distractions. I bet London to a brick that most committees will not do all that is required to protect themselves. The minister could do one thing: put a simple bill through Parliament to protect them all, but he will not do it!

Recently kindergarten committees were sent a memo telling them to amend their constitutions to incorporate the rule that they can trade within section 51 of the Associations Incorporation Act. The minister would know better than I, but I understand there are currently about 1300 preschools, with the number going down rapidly. I wonder what percentage of them will put through that sort of amendment, especially as it must be at their cost, which is another thing the minister has asked of committees.

Preschools are facing huge deficits because their costs far exceed their incomes. They were told to report to the Office of Fair Trading and Business Affairs, but generally that has not been done. It is most likely that the kinders that are facing the most difficulty, the ones that are struggling already to cope with the huge changes introduced by the minister, will not do those sorts of things.

We have the opportunity of passing a private member's bill to provide to all parents the sort of protection they need. It is a simple matter for Parliament and it would relieve the parents of all sorts of complications. This is not simply an
academic exercise. We are not talking about the theoretical possibility that some kinders might get themselves into trouble. Kinders are getting themselves into trouble, and they are under greater pressure now because of the changes made by the minister.

Many preschools are operating with deficits. Last year many preschools had some money in their bank accounts from previous fundraising efforts and were able to use that capital to survive during the year. Many of them had to draw large amounts of money to get through — to be able to pay wages, for example.

I have a copy of a questionnaire that was returned to a member in another place, the Honourable Peter Hall, from the kindergarten in Oak Street, Drouin. The questionnaire refers to the kindergarten’s budget. Question 9 is:

Has your committee used any reserve funds to meet its 1994 financial commitments? If so, how much?

The answer is:

Yes. $5000 used at beginning of year.

That kindergarten will not have that money every year to keep it viable. It and other preschools that have to resort to biting into their capital will soon run out of capital.

There are many examples of other kinders facing huge problems with funding because the government cut funding by 20 per cent overall, which translated to about a 30 per cent cut for some kinders.

In March an article about the Parkfield kindergarten in Ellendale Road, Noble Park, in the Oakleigh-Monash Times stated that the kindergarten:

must find $10 000 before April 7 or shut its doors, leaving a trail of debt to the tax office, superannuation authority and SEC.

It says of the kindergarten treasurer, who took up the job at the beginning of the year:

When she and the committee of four parents took over the running of the kindergarten in January, it had $100 in the bank and a backlog of unpaid bills.

The kindergarten had $100 in the bank! Talking about the task the government imposed on the committee, the treasurer of the kindergarten is reported as having said:

We’re all very daunted by it.

The article continues:

In an effort to stave off liquidation parents have donated an additional $20 in fees and had agreed to a rise in fees next term from $95 to $120 per term.

That is coming out of savings, and the parents have to put their hands in their pockets to make up the difference. The article refers to a report of the City of Greater Dandenong that warns of further closures:

The state government’s hardline approach to kindergarten funding means that this situation will probably occur with other kindergarten management committees.

In April I was contacted by a kindergarten that used to operate near Melbourne University but eventually closed. The incoming committee had a debt of $4000 to $5000 with unpaid wages from last year. The deposits for the year’s places had all been used up last year. There was no money to pay the group tax when it fell due and no audit had been done for the annual general meeting. Clearly the previous committee of management had left the new committee with a mess. The budget was not checked by the Department of Health and Community Services, because it included a fictional $5000 from a body that had never contributed that sum and an estimated $3000 from fundraising, although the kindergarten ran no fundraising functions. In April I was told that the treasurer, the secretary, the fundraising person and another committee member were about to resign. I am not surprised.

That is not the only report of financial difficulties. It is not the only example of kindergarten treasurers being unable to cope or of stories of treasurers who take off with kinder money. That happened before the central payments system was introduced in the mid-1980s. There were always a few treasurers who skipped off with the money, which is why the central payment was introduced. And now we are back to that situation.

Last year I received correspondence from the treasurer of the Iris Ramsey Kindergarten in Ballarat, and her comments are pertinent:

Having taken over the position of treasurer at the end of June 1994, I have encountered many problems
because ordinary people are expected to do the job of trained people. Listed below are just a few of the problems I have been faced with: general bookkeeping a mess; 1993 books unable to be audited; 1993 tax underpaid by $812.60; 1994 tax underpaid by $114.20; uniform allowance 1993-94 not paid $307; superannuation 1994 not paid $618.94; relief staff not paid $89.00; and employment declarations not completed.

The financial burden alone of these mistakes is incredible not to mention the many hours of clean-up and sheer frustration on my part.

These are the real problems that preschools are facing throughout the state. The Drouin kindergarten is having to dip into its capital to keep going. It has outstanding fees at the end of the year of $4500. That is one of the problems: the fees do not come in as well as they should because they are a burden on parents. We know parents are either withdrawing children from kindergarten or not sending them in the first place because they cannot afford the fees.

I have the results of a questionnaire that prove at least two children did not attend a preschool that year because their parents could not pay the high fees. This year those children will attend school, but they are a year behind. I know of seven children who were withdrawn from the preschool during the year because their parents could not pay the fees when they fell due. That is appalling. I am amazed that the minister can sit there, paying no attention and happily accepting that two children could not attend preschool and seven children were withdrawn. That refers to only one of about 13 000 preschools in Victoria.

Mr John — Rubbish!

Ms GARBUIT — The minister says that is rubbish. I have in my hand, Minister, the questionnaire sent to Mr Hall in the other place. People were so upset that they held a meeting in Drouin in August last year. I have a report of that meeting, which highlighted the problems of high fees and high fundraising targets. The meeting was told that families were withdrawing their children because they were finding it difficult to pay the fees, which only compounds the problem. When fees do not come in a kindergarten becomes short of funds; it then has to go on a fundraising drive or go further into debt. The kindergarten cannot pay its debts as they fall due, cannot pay holiday wages to staff and faces the problems of legal liability. I again refer to the letter on 3 May last year from Kindergarten Parents Victoria:

The situation has now become critical as one committee has been taken to the Employee Relations Commission for unfair dismissal.

... another committee has had a writ issued against them for $25 000 damages, from the magistrates court. In both cases the committees have followed due process and have operated in a fair and reasonable matter. However, the Australian Teachers Union is using them as test cases. Both these committees, made up of young women, are extremely concerned about the outcome and their individual liabilities and those of their families.

I turn to a case in Melton, which may be one of those mentioned in the letter. A parent fell at the kindergarten, was hurt and could not work for three days. The parent claimed against public liability for medical costs and loss of employment. The kindergarten had to pay the public liability excess. Minister, you have made them pay the $300 or $400 excess, and you have also pushed that burden onto parents. Kindergartens are being faced with large deficits because of funding shortfalls and parents not being able to afford the high fees. Fundraising does not always pay off. The deficits are a nightmare for kindergarten treasurers.

Accidents such as the one I have just referred to cannot be budgeted for. Kindergarten budgets are under such pressure that kindergartens are being increasingly faced with deficits, an inability to pay debts and notices from the taxation commissioner saying that if they cannot pay they could find themselves in court. As a legal adviser says, kindergarten committee members could find themselves individually liable because they are not covered by the Associations Incorporation Act. A range of possibilities have opened up, which parents are well aware of. They are concerned about legal liability, but there is not much they can do. It is up to the minister to take action.

The treasurers of kindergartens are the ones who should know all the details. They are putting in 20 or 30 hours a week to keep the books. They are working voluntarily just to keep their kindergartens going. They are doing a brilliant job, but now becoming worried about the whole situation. One only has to read the local newspapers to learn about the impact this is having. An article in the 20 October 1994 edition of the Berwick City News carries the headline 'Workload exhausts kinder
PRESCHOOL MANAGEMENT COMMITTEES

Wednesday, 31 May 1995

Disturbing stories have emerged this week of voluntary kindergarten management committees bending under the strain of trying to run their kindergartens like small businesses.

Those people had no previous skills or experience in small businesses. The article says it was:

... confirmed on Monday that funding cuts and increased legal and management responsibilities which came into effect this year are taking their toll on the committee and Doveton's children.

Mums are so busy trying to balance the books, raise funds, collect fees and so on that they do not have enough time to worry about what happens to the children. The kindergarten year is supposed to be enjoyable for both the child and the parents but instead the parents are being loaded with extra fees. The article continues:

There is evidence that treasurers are exhausted and spending more than 15 hours a week on the books, younger, less experienced, cheaper teachers are being hired by committees looking for ways to balance their budgets, class sizes have increased to save money, and fees have gone up.

Again that is having an impact on children because their teachers are unable to assist them. Children and parents are now being offered poorer quality preschool years. The article also states:

Of major concern also is that committee members have become debt collectors and payment enforcers knocking on doors to obtain money parents owe in fees.

The picture of a volunteer treasurer having to stand at the gate of the preschool to stop little Johnny from going in is a disgrace. Another article in the Examiner of last November carries the headline 'Kinder parents imposed boycott over workloads'. Are they happy? I don't think that is a happy headline! The article refers to preschool parents in Nillumbik and Banyule, I do not like those names. I prefer the former names of Diamond Valley and Eltham. Residents of those municipalities do not like the amalgamations, boundaries or names imposed on them by the government and its commissioners; they want to go back to Diamond Valley and Eltham.

Mr Thompson — You are very well represented in Eltham.

Ms GARBUTT — The honourable member for Eltham does not know who previously represented his local primary school. He said in the house the other day that the previous member who represented the Lower Plenty Primary School had done nothing. He thought it was I, when in fact the Minister for Small Business was the previous local member. The honourable member for Eltham is in all sorts of strife because he supported putting Diamond Valley and Lower Plenty into Banyule, and people are not happy!
The article states:

Preschool parents in Nillumbik and Banyule are taking a stand against the 'enormous workload' imposed on voluntary management committees.

The treasurer at Hurstbridge preschool says of the job she took on:

'I didn't understand the complexity of it when I took it on ... 

You can really feel for her: she put her hand up because she wanted to be involved with and contribute to the preschool. She thought the job of treasurer would be pretty straightforward but has now found that it involves an enormous workload in fundraising, collecting fees from reluctant parents and trying to balance the books.

On top of all that, members of kindergarten committees are complaining about the workload imposed by the Department of Health and Community Services, about duplication of financial accountability details, about the complexity of associated documentation and the compulsory development of policies, a process that would ordinarily be carried out by someone with professional qualifications. Rather than helping and providing assistance and support to committees who are doing a terrific job of running the whole system, the department is adding to the demands and workloads imposed on committees.

Kindergarten parents have imposed a boycott over that issue.

An article published in the Berwick City News reports similar complaints. Under the headline 'Voluntary kinder committees are feeling the pressure', the article talks about the new conditions, the cuts and changes and how the committees:

... unwillingly took on a huge administrative task, including payroll and financial projections, to save the government $12 million.

Last year's saving was $12 million; this year an extra $5 million has disappeared from the preschool system, which means more work for teachers and committees.

The article further states:

For some of these volunteers the job was achievable once they survived the shock of the first few months; for others with little financial experience it was, and still is, overwhelming.

Members of kindergarten committees would relate to the word 'overwhelming'. People are not happy with the system.

The minister should talk to people in his own electorate, as I did last week. I was told a treasurer at one of the preschools in the minister's electorate — I think it was Kennington — resigned recently because of the workload. The whole committee of one preschool resigned at the beginning of the year because its members were told at a briefing about the jobs they would have to do: about the responsibility, industrial relations, management, employment contracts and legal liabilities. Those people were not going to put their hands up — a fairly sensible reaction — and the kindergarten had to get a new committee.

In the minister's own electorate kindergarten committees are buckling under a huge workload: fees are high — around $300 a year; children are missing out because parents cannot afford to send their children to kindergarten; and parents are working voluntarily for 15 to 20 hours a week. The people involved did not tell me they were happy in their work.

In other areas preschools are resisting the pressures coming from government-appointed local government commissioners who are intent on cutting back. Last year when I complained in the house about the impact of the cuts on children, the minister talked about services in the City of Knox. He said there had been a great outcome in Knox, with almost no fee increases, and that children would not miss out. He did not say that eight teachers were given the sack and kindergartens had to close down. All the kindergarten teachers were employed by Knox City Council and when the city rationalised it kept fees down, but children paid the price.

Has the minister been out to Knox to see what is happening now? It is a different story now. He didn't get them in round one but he will get them in round two. The chairman at Knox, who says quite openly that his boss is Jeff Kennett and that he is doing his boss's work, is taking a quarter of a million dollars out of kindergartens there.

Responsibility for kindergartens will be put back on to committees of management, as has happened in many other places, and they will be told to increase fees. Last time there was a delayed reaction, but fees
are now going up. What will the minister say about that now? Fees will have to go up and parents will have to do all the work because local government no longer wants the responsibility. The same thing is happening wherever teachers are employed by local municipalities.

The situation in Knox is disgraceful. Parents are resisting strongly and doing a great job of putting the pressure back on to the commissioners to maintain the existing services. Services in Knox are acknowledged as the best in Victoria, but that will change once the commissioners have finished with them.

Preschools in other areas are battling against forced amalgamations. Preschools at Drouin and in other areas of Gippsland have for a long time been fighting against forced amalgamation with other preschools. Although the threat of amalgamations has been put on the backburner for 12 months, the parents are still resisting it quite fiercely.

Recently the Department of Health and Community Services also proposed other sorts of amalgamations, which, not surprisingly, have met with a whole lot of resistance from a range of preschools. A recently published booklet called Effective Management of Children's Services talks about preschools forming cooperatives. Unfortunately, the government has said that up as well and preschools were very suspicious of what it meant. For example, they wondered whether it meant more forced closures — we have seen a spate of them and we know the government intends to fund fewer preschools. It has said that in memos that have been circulated and people understand the government is looking for preschools to close.

A letter from the Melton Uniting Church Kindergarten committee — you may well be interested in that, Mr Acting Speaker — talks about inadequate time lines for the proposal. The committee was given very little time in which to respond and do everything necessary, and it expressed a great deal of concern about what the government was proposing. Changes are still occurring and the government is putting more and more pressure on preschools.

I return to the main thrust of the motion: the members of these preschool committees, who are under such pressure because of finances, the hours they have to work and industrial relations, do not have the legal indemnity they need to set their minds at rest. They do not have the legal indemnity they will find perhaps next year when they become members of school councils, which are afforded such protection in legislation that was passed by Parliament.

Preschool committees have been left with the workload, the responsibilities and the worries but without the legal protection. We should remedy that, and we can do so by passing a small bill that amends the Associations Incorporation Act and exempts kindergarten committees from the trading provision. They would then be fully covered by their incorporation and would not have to worry about being hit with a huge unexpected bill they did not know about which could send them to the wall if they were legally responsible.

Unexpected bills have bobbed up in a number of preschools. For example, preschools in Ballarat have been hit by increased water charges — again thanks to government changes to the way water is managed. Those preschools, which used to pay modest amounts for water and had budgeted for those payments, suddenly found their water bills had increased to huge amounts of perhaps $1000 or more. I do not have the figures in front of me but I know that group of preschools around Ballarat was suddenly hit by unexpectedly huge bills. They were not budgeted for.

How do the preschools get the extra money? They have to do more fundraising — they have to sell more lamingtons and scones down at the Ballarat mall on Saturday mornings. I hope the honourable member for Ripon goes down to the mall on Saturday mornings and puts his hands in his pocket to buy the scones and lamingtons. We are all asked frequently by a range of organisations, not just preschools, to put our hands in our pockets to make up the shortfall in funding caused by government cuts.

Increased water bills are the sorts of unexpected bills that preschool committees have to cope with and they must reorganise their budgets and find that money. Of course, many of them cannot do that. As I said earlier, there are stories of committees running into deficit. They can use the money in the bank if they have it, and many did that last year, but they cannot keep doing that because sooner or later they will run out of money and go into deficit. When this happens and they cannot pay their bills, the people to whom they owe money will come asking for it. If the creditor is the taxation department or an employee who has taken action through the
Industrial Relations Commission, that money must be paid.

The worry is that preschools are not covered under the Associations Incorporation Act. The Minister for Education should take steps to ensure they are covered. I have suggested an amendment to the act. The committees of management and I would be pleased if he could come up with a better way of doing it. But that better way must cover all preschools, not just the ones that are alert enough to do something or have the skills and experience to follow through and ensure everything is completed. It must cover all preschools, regardless of whether they have alert, active and entrepreneurial committees of management, whether their members are being distracted by a range of other problems or whether the members are inexperienced people who do not realise the importance of all these things.

The minister's action should cover all preschools. He should not rely on them to spend money to protect themselves. The problem has been caused not by the preschools but by the government. It has been caused by the changes to funding arrangements and the 20 per cent funding cut at the beginning of last year, which has been compounded by another funding cut this year. The minister seems to have built into the system a mechanism that keeps the money moving out of the preschool program. As a result parents are left to pick up the cost.

Whatever action the minister takes must cover all preschools and ensure that all — not just some — are legally indemnified, and it must be at no cost to the preschools because that would be putting extra pressure on them. The mechanism I have suggested meets both those requirements. It is simple, it covers all preschools, and it is at no cost to the preschools or to the government. It is a cost-free action the government can take to protect preschool committees.

The government has known about this problem for 18 months and has done nothing. It is time it acted. The answer is simple and is right there in front of us. The minister should take the appropriate action urgently.

Mr JOHN (Minister for Community Services) — I have listened for almost an hour to the honourable member for Bundoora, and I have never heard such a distorted, false version of the real situation. It is very easy to go around the countryside seeking out the bad news and the miserable situations of a few people when we have 1344 kindergarten locations, probably the most in the history of Victoria offering more services than ever before to Victorian children.

It is the government's policy to ensure that all eligible children have the opportunity to attend kindergarten prior to attending school. The government is extremely proud of the remarkable success of kindergarten reforms over the past two and a half years. Last year Victoria had a record participation rate of 93 per cent. This year 2300 more children are attending kindergarten than last year. Enrolments this year are up by 4.2 per cent.

The honourable member for Bundoora is quite incorrect when she says we are closing preschools and there are fewer preschools. The fact is that we have more preschool centres than we had in 1994. This year 68 new services have been funded for kindergarten children. The reforms the government has introduced have been responsible for a more responsive and more flexible system. Sixteen private schools are now offering kindergarten services. There has been a 55 per cent increase in the number of child-care centres offering preschool programs. Both reports and anecdotal evidence show that the vast majority of families are very satisfied with the more flexible services they now have compared with previous years.

Before coming to the finer point of the liability of kindergarten committees, I also place on the record the fact that in 1995 the government increased funding for kindergartens by $1.4 million, which is a 3 per cent increase.

We have the cheapest kindergarten system and the most affordable fees in the whole of Australia: the average fee structure is about $5 a week in country Victoria and up to $10 a week in the city.

The honourable member for Bundoora talked about the closure of some kindergartens. Of course for decades some kindergartens have closed because there are no children to put in them. Does she want every kindergarten that has been constructed to be kept forever empty? Of course not. The funding must be directed to where the demand is, to where the children are, to where the services are needed. That is the very crux of the reforms we brought in two and a half years ago.

When the reforms were first made we targeted funding to the children, not to the bricks and mortar of the centres. As a result, we introduced three categories of funding: $800 per child as a core funding; $1000 for country and more isolated
kindergartens, where there was only one kindergarten in a particular suburb or town; and, in the case of a small number of kindergartens which were otherwise unviable because of their extreme rural isolation, $1500 per child to ensure that the kindergartens were viable and successful.

In addition to those three categories we brought in a category of $75 per child for a child with a disability or special needs, or whose parent held a health card, as extra assistance to ensure that the policy of all eligible children receiving one year of kindergarten was fulfilled.

Despite those categories of funding and the new reforms that we have brought in, the government and I, as minister, have always taken a flexible approach: to the best of my knowledge to date in cases of special need and where, for a variety of reasons, kindergarten committees have fallen over or have got into difficulty, we have always supported and assisted them to ensure that individual members of committees have not been damaged as a result of their duties on the committees.

The government values the kindergarten committee members and the job that they do. If there is a point of agreement between me and the honourable member for Bundooloa it is that I recognise the valuable job they do and that in some cases they have a difficult job.

Since kindergartens started in the 1940s that has generally been the case. Over the decades until we came to power there have been very few changes: the kindergartens have always been run by committees of management. About the only time it could be said that individual committees of management have not had total control was a period during the 1980s when the pay system was altered.

Kindergartens have always valued their autonomy: the fact that they can run their own affairs and make their own decisions about their own kindergartens. If you wander around Victoria and visit the different centres and places you can see that the circumstances are different, the needs of children are different and the needs of families are different. Therefore, in my view it is most important that we do not have a rigid ideological system controlled from the centre here in Melbourne and that we fund the children in the different areas according to need and let those local communities get on with running their own affairs. That is not to say that I do not recognise that at times it is difficult, and my department is always available to assist kindergarten committees to ensure that they are successful in the valuable work they do.

The other aspect that I also recognise causes difficulty for kindergarten committees is that whereas school committees may be there for six years, often kindergarten committees are there for only one year. You tend to become involved — and my family is the same as the families of many other members of this house — in kindergarten and school committees at a time when your own child is attending that kindergarten or school. When you have a child attending a primary school you may become involved in the school community, take a position on the school council and be there for six years; during that time you would learn a lot about running a committee and a school.

A kindergarten committee is often there for just the one year, because it is a one-year program. Often once children leave kindergartens the parents move on to the schools and join those committees.

I recognise the problems and have instructed my department, wherever possible, to provide assistance to treasurers and presidents of kindergarten committees to ensure that they are able to conduct their valuable work.

The Associations Incorporation Act provides a corporate shell of protection. The legislation has been very valuable in Victoria for protecting sporting clubs, small groups of people and kindergarten committees; and many kindergarten committees — in fact most — are incorporated under that act. It provides a cheap alternative to forming a company under the companies code.

The main benefit of the Associations Incorporation Act is that it generally protects individual members of a committee — or board of management or board of directors — from personal legal liability. In that respect it is extremely important that people in the community who for reasons of altruism and their care for their loved ones at kindergartens take on the responsibility of becoming board members have the protection of the law so that while doing the good work they do as members of boards conducting the affairs of incorporated bodies they do not suffer as a result of their altruism.

As the honourable member for Morwell said, that is important; and I recognise that. I also recognise that in some cases the corporate shell of protection is not applicable and will not protect individual members.
from personal and legal liability. That is something I have been addressing now for some months, and it is a very difficult issue in terms of the kindergarten committees of management. I will come to that in a moment.

Broadly speaking, where an individual member of a board — be it a board of directors under the Companies Code or a board of management under the Associations Incorporation Act — incurs debts for that incorporated body knowing that not enough money is in the kitty to pay for the accounts, in some circumstances the law will hold that that director or board member be personally liable.

That means — and this is getting to the heart of the reason for the motion — that the honourable member for Bundoora rightly wants to protect those persons who take on the work who, for one reason or another, do not fall within the corporate protection of the act and although doing the best they possibly can, could end up being personally liable for debts or other actions at law.

One of the questions we have to ask in respect of kindergarten committees is whether the committees are trading within the meaning of the Associations Incorporation Act. That is a question of law. It may be a simple question to ask whether committees are trading within the act, but it may not surprise some honourable members that lawyers can vary in their opinions on some of these matters, and it will not surprise the house that some of the finest lawyers in the land can vary in their opinions. That is one of the dilemmas I have encountered recently.

The legal advice I have received has been conflicting as to the best way to protect individual kindergarten committee members from personal legal liability. I assure the house that the government recognises the problem and it is committed to finding the best possible solution for members of kindergarten committees. The government is endeavouring to ensure, as a result of the action that I will be taking in the near future, that parents who are members of kindergarten committees do not become personally liable for debts incurred by their committees.

I wish to alert committee members to the need to be vigilant in ensuring good management practices, and I also remind them that they ought not to be incurring frivolous or irresponsible debts. I place this rider: although I want to protect committee members and I will put in place a system that will give them maximum protection, I cannot put a system in place, nor should I, that protects them from irresponsible or criminal actions or extreme situations. It would not be responsible for the government or the community to support irresponsible actions.

Kindergarten committees, like others in the community, have to be accountable for their decisions. I assure committee members that the government will do everything possible to protect them when they are undertaking their normal duties or even when they have made innocent errors.

One view at law that has been provided to me is that individual kindergarten committees should make simple changes to their constitutions. If that path is taken the difficulty is that each one of the 1300 odd kindergartens would have to hold a special meeting. After examination of the advice the department could provide assistance with a model drafting of the clauses necessary and a simple set of instructions on what has to be done to achieve that aim.

Another view, which is more appealing to me in terms of its simplicity, is to have a block declaration issued by the Governor in Council under the act, which would mean that the 1300 kindergartens would not have to meet to change their constitutions. A third option is to legislate to make changes to the act so that this is spelt out clearly.

I assure the house I am examining these options. I have had a number of discussions with Kindergarten Parents Victoria and we will be taking on board all those matters and working through them to try to achieve protection for committees that are doing a proper and honest job, because that is extremely important.

I take this opportunity to say that the old-fashioned kindergarten system of the 1940s was too rigid for people in the 1990s. Indeed the former government recognised this. In an Auditor-General’s report of three or four years ago the Auditor-General stated that 20 per cent productivity savings could be achieved in the kindergarten system and indeed the former government, prior to the 1992 election, set about bringing in reforms not dissimilar to the reforms which this government brought in after the election. Unfortunately, because it was close to the election and because it was under considerable pressure from the Kindergarten Teachers Association, the former government did not pursue those reforms.

Individual teachers recognised the needs of the children and the need for more flexibility for
families because of changing social arrangements, but regrettably the Kindergarten Teachers Association lagged behind those social changes by attempting to protect their vested interests. However, this government has had tremendous cooperation from individual kindergarten teachers in bringing about reforms. We had to overcome problems such as teacher contact hours and rigid sessions. We brought in a more integrated system whereby of the 1300-odd kindergartens there are about 250 to 270 kindergartens that provide a one-stop-shop of services for parents.

Parents can bring their children to a kindergarten and at the same centre there may be vacation care, occasional care, long-day care and maternal and child health services all in the one place. Instead of parents having to run home from work at strange hours or make arrangements with relatives to pick up children from kindergartens, as occurred under the old rigid system, in many cases they are able to drop off their children at convenient hours that fit in with their work arrangements, have children properly and professionally cared for prior to kindergarten hours, have younger children cared for in long-day care and do all these things with perhaps several children at one centre. It is convenient to have those facilities available. They are increasingly being demanded and increasingly being put in place.

I am reminded of kindergartens in Geelong and Drysdale. I saw the one in Drysdale last year and that was a superb kindergarten. It provided all the services that I have described. I visited the centre with the honourable member for Bellarine and he showed me the wonderful work that was being done in that centre.

I make no apology for kindergartens that have had to close because as I said earlier, they cannot be kept open if they are empty and not needed. Many new kindergartens have opened in areas where they are needed and kindergarten facilities have been expanded where they are needed. The government is about providing flexible services to meet demand and that means change. However, sometimes people fear change, but often when changes are made instead of being repressive people suddenly find that after a couple of years they are working well. It is not possible to please everybody all the time, but the old system was not good enough and it needed change. All the research I have seen shows that the vast majority of people who use kindergarten services value them and believe them to be excellent.

That is justification for the reforms that the government has undertaken.

While I am on my feet I shall comment on changes which have occurred in child-care and kindergartens. There used to be a feeling that there was child-care on the one hand and kindergartens on the other. They were two separate areas. The philosophy was that kindergartens were for children and child-care was for parents and that they were vastly different services. That view has merged in society as social changes have occurred and now we see child-care centres, private and public kindergartens, offering kindergarten services. Private schools are expanding their services to obtain funding from the government to add to their flexibility by providing kindergarten programs.

This is part of a social revolution in the provision of family services. I make no apologies for some of the difficult decisions the government has made because they have been made in the interests of the children and families of Victoria.

This government is committed to ensuring that all eligible children receive one year of kindergarten prior to attending school while giving families services that are flexible and convenient. As the economy improves more mothers will want to return to the work force or take up the educational opportunities offered by TAFE colleges. It is important that employment opportunities are provided for women. They should be able to pursue their careers and fulfil their potential knowing their children are being properly cared for.

I give the house the commitment that the government will look at these options to ensure that kindergarten committee members receive as much protection as possible given the valuable work they do. I expect to resolve that as soon as possible.

Ms MARPLE (Altona) — I will talk about my involvement in kindergartens before I move on to the motion moved by the shadow Minister for Community Services. Some years ago I was fortunate enough to be a supervisor of a kindergarten, but kindergartens have changed considerably since then. Most of us have seen great changes in the work done and educational services offered by kindergartens. Preschool programs should be reviewed to determine what is best for the children, not only because educational fashions and philosophies change but because society is constantly evolving. Sometimes we are not happy with the results of that evolution and feel the
guidance from government is not as good as it should be.

My grandchildren are of kindergarten age. Along with many parents and grandparents I am interested in the services being provided by our preschools in the 1990s as well as the concerns of committees of management and the teachers. The changes introduced by the coalition government have had a traumatic effect on many kindergartens. The shadow minister outlined many of those changes and I will touch on some of them.

The shadow minister's main concerns are the motion regarding liability and her desire that the government take up her private member's bill. As she has pointed out, that would be a simple way of addressing the concerns about liability. I am pleased the Minister for Community Services has taken up those points and given the assurance that he will examine the possibility of relieving the liability pressures on committees of management.

Nevertheless, I am concerned about the minister's paternal attitude — the pat on the head and the assurance that the government will step in and make sure everything is okay no matter what happens. That is not satisfactory. The minister has not acknowledged that in so many words, but he has told us he will look into the problems. Although that is reassuring, it is a pity it was not done when the changes were made. If he had acted at the time, there would have been no need for headlines such as those read out by the shadow minister about the stresses and strains committee members find themselves under. Everyone acknowledges the importance and necessity of kindergartens.

A family I know quite well has a child whose language skills are underdeveloped. There were questions about whether the child would go to kindergarten. The parents were able to scrape together the money, even though it was a struggle and it caused some stress. I am pleased to inform the house that that child’s language development has raced ahead since he has been able to interact with children of the same age. Under the guidance of the kindergarten director and assistants a program was put in place that enabled that child to further develop his language skills without the need for years of therapy. Without that support that child would have been behind his peers by the time he reached school age. He has been given the great advantage of attending kindergarten and mixing with his peers — and it has had the desired effect.

The pioneers of the kindergarten system aimed to assist children by preparing them for primary school. As the minister mentioned, the kindergarten movement has always been very independent and has done a great deal of good work.

Many problems in this area have arisen since the government has been in power. I was interested to hear the minister claim that the current kindergarten enrolment rate is 92 per cent. A media release from the minister dated 28 March 1995 states that enrolments had actually dropped to 87.3 per cent of the estimated total of eligible four-year-olds.

The minister really needs to be brought up to date on his own press release. Perhaps somebody else wrote it and the minister was not privy to it, but it does tell you the figure is now 87 per cent — that is a drop. The document is headed 'Health and Community Services' and has at the top the name 'Michael John', so there we are. The minister will have to change his rhetoric because the number has dropped.

While I am pleased that a large number of four-year-old children are having at least one year if not longer at kinder, we should be concerned about the ones who are not getting that opportunity and the reasons why they are not. I know some families decide that their children will not attend kinder. I suspect, knowing some of the parents and the concerns they have faced since the government has been in office, that some have decided not to be part of the system because of the increased costs and the burden placed on them as parents.

We all want to do the very best we can for our children, and many parents feel they should be involved, especially when their children are taking on the exciting life that is before them and going to kindergarten. Kindergartens have always encouraged that involvement. Many of us will remember our responsibility at milk time and those sorts of things.

Mr Hamilton — What's this? That's a bit historical!

Ms MARPLE — I know. Parents are acknowledged as being important in their children's lives and they should have an educational role so that there is family interaction, in the sense that this is a place where Mum, Dad, Grandma and Grandpa come.

Mr Hamilton interjected.
Ms MARPLE — Yes, they have special days for those of us who have grandparent status now. It is a very high status in many societies; I only wish our society saw it the same way.

I was referring to the importance of the educational role members of families play in their children’s lives while they are at kindergarten. The government has made the major concern a financial one, but then it always looks at everything in dollars and cents and puts things into columns; the government rarely looks at human values. The government has made it clear that money is the most important thing and that parents have to raise the money needed to keep kindergartens going.

Parents have gone out to do so, trying to make sure they have enough money to keep the senior teachers on board. Many of us have heard stories of senior teachers being told to leave and junior teachers being put on. I have been a strong advocate for young and enthusiastic educationalists coming in, whether in schools or kinders. They have new ideas and enthusiasm and I always enjoy working alongside them. But there is much to be said for the experienced person as well. I am sure all parents would like to be fortunate enough to have a mix, but many have had to make the decision that that will not be the case. Parents have been faced with all sorts of worries and concerns so they have been unable to concentrate on having the education of the children first and foremost in mind.

The shadow minister’s motion is about the liabilities and concerns of parents. As the shadow minister said, we need to provide protection for parents who have taken up the responsibility of managing kindergartens. That is a big responsibility for which they are not trained, and a parent cannot really say, ‘I am pleased to be on this committee. I will be a committee member for a year and then I may take up some responsibilities’. As we know, most parents on kindergarten committees are there for one year, and they have to take up all sorts of responsibilities without any training.

Under this government they have the added responsibility of meeting costs in the face of funding cuts of around 20 per cent. They have been as high as 30 per cent for some kindergartens. Not only do the committee members face enormous responsibilities, but when they find their preschools have insufficient funding they have to go out and raise the funds, collect fees, become debt collectors, and badger neighbours and friends by saying, ‘Have you paid your fees? We are in bad straits here. We need to find that money’. Parents do not need to have such roles thrust on them when they are primarily concerned about the education of their children.

Kindergarten fees have risen from around $40 per term to anything up to $100 per term.

Mr Hamilton — Some are $130!

Ms MARPLE — I know many parents who could not provide that.

Mr Hamilton — Only the rich can!

Ms MARPLE — The honourable member for Morwell has raised one of the real concerns in this area: if you are in a position to pay high fees and raise money — we know that is possible for some people — that is fine. But many parents cannot find the money in the first place. Perhaps not both parents are working; perhaps they are on invalid or other pensions and cannot find that money. Even if one parent is bringing in an income, the increase in fees is an extra burden. Then they are asked to be part of the fundraising. Some areas in our community have much lower incomes than others. Under this government not only in the education system but in kinders as well there will be — —

Mr Hamilton — The underclass, that’s what it’s called.

Ms MARPLE — Yes, the development of an underclass, with children not being able to attend kindergartens, and if they do, their kindergartens will not be up to the same standard as kindergartens in other areas. The government is condemned now, but in years to come it will be even more strongly condemned for what it is doing to our children. Honourable members on the government side will have to admit to the problems that arise.

With the raising of fees, as was pointed out by the shadow minister, parent groups acting as committees of management have had to look to raising revenue to make up the shortfall. Parents have developed new programs and parent groups, including having parents in classes and gym groups. Kindergartens are highly valued by the community and by anybody who has read anything about child development, education or parenting.

However, the committees have been put in the position of trading like small businesses, which means they have to face the risks faced by managers.
They are liable not only for the debts but also for any problems concerning occupational health and safety or any of the other issues referred to by the shadow minister and by Kindergarten Parents Victoria.

KPV has issued an information sheet headed 'Legal Liability of the Committee of Management' that points out that under the Associations Incorporation Act not just the committee but individual members of the committee of management can be liable. I refer to some of the matters raised earlier by the shadow minister:

Any member, not just a committee member, who in any way is involved in a trading transaction which is not excepted by specific provisions of the act is personally liable for any debts incurred as the result of trading.

The document also makes the point that a liquidator of the association can sue any person. I am sure that you, Mr Acting Speaker, and others know the concerns people have when they are just making do each week, payday to payday, making sure they have enough money to put food on the table, buy clothes for the children and perhaps pay the fees. But what would happen if you were then sued? What worries there would be. Of course, as the shadow minister pointed out, some committee members have resigned when it has been pointed out to them that any person who is a member of a committee at the time a debt is incurred can be sued if the committee cannot pay all its debts when they fall due.

Because their mortgage bills are usually very high young couples find it hard to send their children to kindergarten. The flier from Kindergartens Victoria points out:

For breach of fiduciary duty ... he is under an obligation not to promote his personal interests by making or pursuing a gain in circumstances in which there is a conflict or a real or substantial possibility of a conflict between his personal interest and those of the person — or organisation — he is bound to protect:

For breach of a 'duty of skill and care' — which requires a committee member to exercise degrees of skill and diligence as will amount to the reasonable care, that an ordinary man might be expected to take, in the circumstances, on his own behalf.

It also states:

Members of the committee could be liable for unremitted group tax or under some circumstances under the Occupational Health and Safety Act.

The private member's bill has three simple clauses. The shadow minister has told the minister that the bill would overcome all the liability problems. The minister has said he will examine exempting the committees of management in the same way that school committees are exempted. I hope the government supports the committees. The bill is a straightforward and simple measure that will protect parents.

Many kindergarten parents who take up those challenges do not have the qualifications of those who study for years to become treasurers, accountants and managers. Kindergarten parents from a wide range of occupations are playing responsible roles in keeping their kindergartens going. Kindergartens feel under threat, which is why the government should ensure they are looked after.

I am pleased the minister has said he will examine the situation and ensure that our children are able to attend the first year of kindergarten. The educational needs of our children should come first. Kindergartens are the places where education begins, but at present they cannot always employ experienced teachers because they cannot raise the necessary funds. I should like the liability problem cleared up so that kindergarten parents are protected. The parents are worried not only because they do not have that protection but because the government is not taking any notice of them.

Why is the government so keen on handing everything back to the people, saying, 'It is all up to you, we are keen on small government'? The government system we now work under is about supporting each other, not taking over others' responsibilities but sharing them. The government believes privatisation will make organisations more profitable, after which everything will fall into place. The history of our century shows that extremes of any sort are dangerous. The government's current moves will have the same disastrous effects.

I am pleased that in replying to the shadow minister the minister said he would take up her concerns and examine what can be done, especially with regard to liability. I suggest he also take up the other concerns that have been raised. In a recent press release the minister said the government is spending
$48 million on providing preschool education; but he did not say that $53 million was provided last year or that $64 million was provided in 1993. Costs are not decreasing and parents are having to bear the burden. That does not take account of incomes. I am greatly concerned that people on lower incomes will be unable to provide for their children the preschool education that is a vital preparation for later studies. I am pleased the minister is taking up those concerns. I recommend that he adopt the private member's bill proposed by the shadow minister. He would then not have to spend time thinking about the situation but would realise he already has the answer.

Mr MAUGHAN (Rodney) — I have listened with interest to the comments of the minister and the honourable members for Bundoora and Altona. Although I agree with many of the sentiments expressed by the honourable member for Altona, I believe she has been engaging in an irresponsible and unnecessary scare campaign by suggesting that kindergarten committee members could lose their homes and be responsible for significant legal liabilities. Although that is theoretically true, neither the honourable member for Bundoora nor the honourable member for Altona cited a case of that happening or of a threat of that happening.

Ms Marple interjected.

Mr MAUGHAN — They are worrying about it because, with respect, the opposition has been raising the spectre of these problems, as it did with schools, yet not one case of a person being held legally responsible has been cited.

Ms Marple interjected.

Mr MAUGHAN — The minister will look after it. There is a fine balance between, on the one hand, responsibility and, on the other hand, giving members of a committee complete indemnity for acting irresponsibly. Responsibilities go with being a member of a committee of management. Most people in public life understand and willingly accept those responsibilities. The possible outcomes raised by the honourable member for Altona are remote but, as she has already indicated, the minister is looking at the situation.

The honourable member for Bundoora talked about cuts. Certainly cuts have been necessary to ensure more efficient and effective use of the resources available to the government. That has been brought about because the irresponsible attitude and financial mismanagement of the former government in the Cain and Kimer years left Victoria with a massive debt and a budget deficit in the order of $3000 million a year.

The Kennett government has moved, through responsible financial management, to get the budget into order to protect the very people the opposition pretends to be concerned about — our children — from debts and liabilities in the years ahead. The government will not pass on liabilities to future generations, as was done by the previous government. Someone has to pay for whatever a government does. The previous government took the view that it should satisfy all needs and add the cost to a rapidly escalating debt. Someone has to pay, and in passing the cost on to future generations the former government was anti-children and anti-family. The responsible financial management of the current government is far more sympathetic to the interests of families and children. The government is paying its way, not passing on debt to future generations; it is financing all its capital activities and recurrent expenditure. There was a need to change the preschool system and to use the state's resources more efficiently and effectively to ensure a sustainable future for preschools. I remind honourable members of the government's policy that every child is entitled to at least one year of preschool education. Together with other government members, I hold strongly to that policy. As previous speakers have stated, there have been difficulties with committees of management. People usually serve on a kindergarten committee for only one year and then move on, and basically inexperienced members of committees of management are required to deal with complex industrial relations and financial problems, a job for which most of them are not trained.

The previous government discovered through one of its studies that in spite of the difficulties productivity savings of 20 per cent were possible, but it did not have the courage to undertake the necessary reforms. The government has had the courage and determination to undertake reforms and has been able to not only reduce the level of expenditure but at the same time increase the number of children attending kindergarten.

The minister outlined some of the difficulties faced by members of preschool committees: the rigid hours some preschools are working, the scope for more face-to-face teaching by kindergarten
PRESCHOOL MANAGEMENT COMMITTEES

1962 ASSEMBLY Wednesday, 31 May 1995

The government has changed the focus of funding from funding of an institution to funding of individual children. The funding regime is a base rate of $800 a child, $1000 a child in country areas and $1500 a child in isolated or remote areas. Several preschool centres in my electorate fall into the latter category. That funding allows small towns such as Gunbower to maintain their independence and continue to run kindergartens. In addition, $75 a child is available for children who have special needs or disabilities or for those with health cards.

The government is spending close to $49 million on preschool services, an increase of $1.4 million or about 3 per cent on what was being spent previously. More children than ever before — 58 000 in 1344 locations across the state — are receiving preschool education. Although there have been some closures — the minister pointed out that that has happened in the past and always will happen — there are now 68 new services and more children than ever before are receiving preschool education.

Local government reform has provided some outstanding opportunities for better management of preschool centres. Prior to the amalgamations the City of Knox managed more than 30 preschool centres. The advantage of such a large number of centres being managed by a municipality is the availability of people skilled in industrial relations who are aware of the latest regulations and changes and who are in many ways better able to manage centres than voluntary committees. As honourable members on both sides have already acknowledged, committees generally comprise well-meaning, dedicated, hard-working and enthusiastic but usually young mothers who are inexperienced in the difficult and specialised tasks involved in the management of preschools.

The motion moved by the honourable member for Bundoora aims to relieve committee members of all liabilities they might incur. We would all agree that there is no intent to put unnecessary liabilities on committee members, but they should be responsible for their actions and should not be excluded, under all circumstances, from bearing responsibility for knowingly acting irresponsibly. The minister has already said it is a difficult legal issue and he is aware of it, has taken advice and is prepared to act.

Change does not occur without pain. One would have to say that some committees of management have coped much better than others. The vast majority have simply got on with the job, have adjusted to change and are still running good preschool centres.

As I said, I am strongly committed to the objective of providing one year of preschool education for every child. I support the sentiments expressed by the honourable members for Bundoora and Altona. I support the minister in his very genuine interest in this area and commend him for his administration of community services generally. I commend him for his action on this issue, which he is working to resolve to achieve the same sorts of objectives the honourable member for Bundoora has put to the house in her motion.

In conclusion I stress that I vigorously and sincerely support the policy of every child being entitled to one year of preschool education. I support the sentiments expressed by the honourable member for Altona about underprivileged children needing that more than other children whose parents are able to afford it. The government has ensured that underprivileged children have access to preschool education, and it will continue to ensure that every child is able to receive that one year of preschool education.

Mr HAMILTON (Morwell) — I am pleased to support the motion moved by the honourable member for Bundoora because it deals with a very important matter. On hearing some of the minister's comments I thought he was actually supporting the motion, but I have been slightly corrected since then.

As the honourable member for Rodney said, you can't have gain without some pain — believe me, I can certainly attest to that statement, given all the changes that have occurred in the Latrobe Valley and the pain that has accompanied them.

This motion is about the potential liability for damages of individual members of kindergarten committees. The problem is the result of what the minister described somewhat kindly as the modernisation of our kindergarten committees. I could describe it in different terms because that 'modernisation' is a result of economic rationalism. I could liken it to slave labour because kindergarten committees, which have traditionally comprised parents who want to support their children, are now responsible not only for the management of the centres but for the employment of staff, including kindergarten teachers and assistants, aides and cleaners.
They now have to deal with employment contracts as well. Everyone knows the sorts of problems you can get into if you don't have sensible employment contracts - they can come back and bite you on the bum. The committees have also had to make significant changes to their work practices and those of workers.

Therefore, in effect, they are boards of management. In connection with the now disjointed SEC the government has set up 10 new boards of management whose chairmen receive some $80,000 a year; yet kindergarten committees, which are charged with the same range of responsibilities, are doing the job voluntarily. Where is the justice? The government has duckshoved its clear responsibilities. Its members will go down in history as the greatest lot of duckshovers in the world. The government wants to walk away from its responsibilities. Inevitably something will go wrong. The honourable member for Rodney says it has not happened yet, but believe me it will happen: a committee member will make a mistake. Committees are not infallible. Even ministers make mistakes, so it is inevitable that there will be challenges and problems for some of the 1300 kindergarten committees in this state.

It seems to me that the responsibility for kindergartens properly and correctly ought to reside with government. Kindergartens, which provide the first stage of formal education for our children, are quite clearly a government responsibility. If that were not the case why would the government continue to fund kindergartens? It is a wonder the government is not trying to privatisate them. It has knocked 20 per cent off kindergarten funding. It is a wonder that it has not decided to knock off the whole lot and say, 'Those who want to will survive. Those who can, will'.

When something goes wrong the government wants to be able to say, 'It is not our fault. It is the committee's fault,' and that committee will be legally liable and subject to all sorts of court proceedings. That may be all right for board members who receive $60,000 or $80,000 a year - in fact, what really annoys me is that half the time those blooming boards can walk away from their problems - but a voluntary group of people who are by and large amateurs cannot do so. It would be a great sin to put professionals on the committees because that would defeat the whole purpose of having the carers involved in their children's development. That is what has happened historically in our kindergartens.

One of the things about which I have been tremendously enthusiastic is seeing parents and carers who were extremely nervous and lacking self-confidence when they went onto kindergarten committees gaining confidence over the 12-month period. They became involved, became keen, increased their knowledge, shared experiences and have grown. The growth and self-development of those people - they are generally young mothers, although it is always great to see young fathers on the committees - is the greatest thing I have seen in my public life. For many it has been the first stage of their development. That is good and we ought to encourage it.

The growth in community development that occurs via our kindergarten committees and our love and care for our children is intrinsically good and ought to be supported. It is absolutely reprehensible to put a barrier or a threat in the way of those people and to impose on kindergarten committees responsibility - without qualifications, rewards or recognition for their work and input - for undertaking the sorts of management tasks that thousands of bureaucrats and professionals are employed to do in the business and public sectors.

You will discourage people who need the support from becoming part of the kindergarten committee. They will say, 'I am not prepared to take this on'. Those who perhaps take it on will say, 'Gee whiz, I can't afford to lose my house, my car or something I haven't got'. It will be a tremendous challenge. Many will say, 'I really can't take this risk. I will walk away from it'. That will result in one of two things: the kindergarten committee will either lose its breadth of representation across the community or become the preserve of an elite ruling group who will reinforce conservative values.

That is what has happened with half the school councils. All the activists - unfortunately these days there are not enough from the Left; they seem to be mainly from the Right - get on school councils and all sorts of things happen, such as compulsory uniforms in schools. The way they are going they will soon have compulsory uniforms in kindergartens and the teachers will spend 90 per cent of their time checking to see that the uniforms are right rather than providing for the kids' education!

This government says, 'We must support the individuality of people', so it dresses them all the same and makes them all obey the same rules and says, 'That's all right; when they are 18 they will get
out of Scotch College, Melbourne Grammar or wherever and then they will be able to make the decisions', once you have them ground into the brainwashing. As a government and as a community we really should take note of the concerns that have been expressed by the honourable member for Bundoora on behalf of every kindergarten committee across the state.

From his speech I could see that the minister has realised — quite correctly, and I acknowledge it — that the demands placed on people on kindergarten committees are different and could have different, and in some cases horrific, results for individuals. That is not what it is about. Someone has to be accountable — yes, we agree — but the someone who is accountable is the government. We have a minister, a department and a stack of professional officers: they should provide the accountability while the committee people provide the support, the enthusiasm, the growth and the opportunity to become involved.

Wouldn’t it be an awful thing if the only people who ended up on our kindergarten committees were bureaucrats or ex-bureaucrats, a string of accountants and business managers? Already too many accountants are in too many positions of high places. If you got rid of accountants and lawyers the current community would fall apart. Not only that: 99 per cent of the fault with the world is that accountants have taken over.

The government thinks you can put dollar signs on everything: you cannot put dollar signs on the development of members of kindergarten committees, for heaven’s sake! That is something you cannot buy or put a dollar sign on. However, you can reap the rewards with the development of your community because of an increase in the cooperation of society and people learning from and working with one another; they are the sorts of things that are important.

I heard from one of the kindergartens down in the Latrobe Valley. ‘We ought to do what the schools have done and get one of the newfangled computer programs that will let us work out our salaries and on-costs and can even do predictive budgeting.’ That is great for schools, where the Directorate of School Education hands down from on high all the dotted i’s and the crossed t’s and those sorts of things, but it is not the direct responsibility of kindergartners. Schools have paid people who can do these things. When I was young I think they were called bursars; I forget what they are called these days — the honourable member for Bundoora reinforces that they are still called bursars.

Kindergartens are a different kettle of fish. It is all right to say, ‘They have to change; they cannot be the same as they were in the ‘40s’. Of course they are not the same as they were in the ‘40s. You and I, Mr Deputy Speaker, are not the same as we were in the ‘40s! That is a sort of a rhetorical statement, of course.

The DEPUTY SPEAKER — Order! Very rhetorical.

Mr HAMILTON — No-one is arguing that the role of the kindergarten has not developed. However, the role of the kindergarten is fundamentally a social one; that is the real importance of what we should be addressing.

The honourable member for Rodney may not be aware, but already there has been an unfair dismissal case where a kindergarten employee has gone to the Employee Relations Commission. Unfair dismissal cases are not nice at the best of times. They are not nice for the employee who has been unfairly dismissed and they are not nice for the ‘employee body’ — in this case the kindergarten committee — to have to deal with. Such cases are complicated and dozens of lawyers make fortunes out of them one way or another.

It seems to me that only two groups of people in the whole world never lose: lawyers and accountants. However, in terms of a kindergarten committee’s responsibility to deal with these complicated matters — and they are complicated and complex and emotionally draining — they are, to my mind, quite properly the responsibility of the government department, in this case the Department of Health and Community Services. They are the people who should be looking after these things. For these other responsibilities to be placed on top of the responsibilities of the set of people in the community who are already voluntarily part of kindergarten committees, which is a challenge in itself, and who by and large are young people with all sorts of other challenges such as rearing young families — which is not easy and is also a challenge in itself; becoming a parent is one thing we are never trained for — and setting up homes, is an absolute abrogation of the responsibility of government.

There is no justification for it under any circumstances. I believe the motion moved by the honourable member for Bundoora, the shadow
Minister for Community Services, should be supported because it recognises the very things that are so wrong with the changed demands that have been placed on our kindergartens. On that note I will stop because other honourable members also want to add to the debate.

Mr THOMPSON (Sandringham) — I am very pleased to join the debate, which deals primarily with a technical legal issue relating to the operation of the Associations Incorporation Act and the protection afforded to the 1344 kindergarten committees operating in Victoria — not all of which, I add, may operate under the Associations Incorporation Act.

By way of historical background I point out that for almost a century kindergartens have played an important role in the development of young children in Victoria. Kindergartens originated in Germany, where a school teacher, Friedrich Froebel, with an interest in children established the first kindergarten as a learning centre for young children. As a result of the influx of immigrants and the exchange of intellectual ideas, the system developed.

Early in Victoria the free kindergarten union was started, the principal objective of which was to take younger children who may have been roaming around off the streets, to afford them a comfortable learning environment in which they could have educational opportunities at an early age and to cater for their wider welfare. There was a philanthropic, charitable and educational motivation involved in this process.

Section 15(1) of the Associations Incorporation Act outlines:

Except as otherwise provided by this Act or the rules of an incorporated association, a member or an officer of the incorporated association shall not, by reason only of his being such a member or an officer, be liable to contribute towards the payment of the debts and liabilities of the incorporated association or the costs, charges and expenses of the winding up of the incorporated association.

Within my electorate there are some 13 kindergartens, all of which have voluntary committees of management. By and large they are the mums and dads who have had their first association with a kindergarten by virtue of having a child attending it. They bring to the committee of management their wider skills. If a kindergarten is fortunate enough to have a parent who has accounting expertise, that person is likely to be lined up as the treasurer of the committee.

In addition to the work undertaken by the committee of management is the very important work that is undertaken by kindergarten teachers. At the time kindergarten reforms were being implemented a couple of years ago, I, and I understand my parliamentary colleagues the honourable members for Gippsland East, Rodney and Glen Waverley, made visits to local kindergartens or received deputations from the teachers. They would agree with me that one of the striking characteristics or observations that people made of kindergarten teachers was the empathy they had with the children they taught. They reflected special qualities and the ability to nurture young children and help them in their formative educational years.

The role of kindergartens is distinct from the role of child-care centres, whose objective is to care for children by ensuring that they are well fed and well clothed during the day. The kindergarten teacher has a range of abilities as a result of a training program which enables him or her to determine auditory development, reading, perceptual development and a range of other skills that the children should be acquiring at that stage. If eyesight or hearing deficiencies are detected at that age it will enable remedial action to be taken and specialist advice to be obtained so that the children will not have their learning progress impaired.

The opposition spokesman on this issue referred to an opinion provided by Corrs which suggested that the definition in section 51 of the act regarding trading by a not-for-profit organisation may lead to the possibility that kindergartens with their varied activities may not have the benefit of exemptions that were originally understood to be inherent in section 15.

The Minister for Community Services has consulted widely with community and kindergarten groups as part of his portfolio responsibilities. On the occasions he has received deputations from people from my area he has always been prepared to lend a willing ear to understand their problems. I am always delighted to lead deputations to his office.

I also commend the work of the kindergarten committees and in my electorate people such as Vicki Cannon and David Rickard, who have put in many voluntary hours to improve the effectiveness
and coordination of community committees of management for local kindergartens.

A number of solutions have been proposed to the present problem that on sound legal advice would appear to present some difficulties for kindergarten communities in terms of the protection afforded under the act. One solution may be for each committee that is incorporated under the Associations Incorporations Act to hold a special general meeting and pass a special resolution that establishes beyond all doubt that the committee is a not-for-profit non-trading entity and thereby benefit from the provisions of the act. Another suggestion is that there be a block motion or resolution, with which the minister may be able to assist. I understand the minister is in the process of seeking legal advice on this question to balance what might be the proper course of action to take.

I understand also that Robert Wright, an eminent authority on the incorporation of associations, is involved in this area of law and his writings on the subject emanated around the time of the birth or kindergarten involvement of the first of his eight or nine children. Since that time he has had an extensive interest in the matter.

It appears there is an issue that needs to be addressed. I have every confidence that the minister will work diligently and responsibly to ensure that this problem is addressed in the interests of the hardworking kindergarten communities and teachers who give of their time in historical circumstances in which they have not enjoyed the same industrial conditions that their counterparts in primary schools have enjoyed since 1872.

Although a range of issues need to be addressed, the cost to the community in supporting this important service is a factor that the government must bear in mind. The opposition does not have due regard to this, even though at the time the coalition government came to office the current account deficit was $2 billion above what the state earned. The minister has an important responsibility to achieve the best outcomes in a difficult portfolio. I believe the current problem will be addressed in due course with due expedition.

Mr E. R. Smith (Glen Waverley) — I declare an interest in this matter because I have a four-year-old who attends the Glen Waverley Central Kindergarten. The motion moved by the honourable member for Bundoora has probably been superseded by events similar to those described during debate on a motion I moved recently on Project Beacon. It is good to hear the minister say he believes he has almost reached a solution because preschools are concerned about having this problem hanging over their heads.

One of the things that has occurred is that more care and accountability have come into preschools, and on that score I praise the work done by the committees of management because, as has been said by previous speakers, they have done a colossal job putting together programs to ensure that the $822 that in most cases follows the child has been put to the best possible use. It is a shame that in some places some parents have found it not within their power to meet the small fees. However, most kindergartens with which I have had dealings in my electorate have managed to waive the fees for children whose parents are not able to pay.

It is an important privilege and a right for all four-year-old children to attend kindergarten. I praise the dedication of the kindergarten teachers in my area that I have met. They put in an immense effort and I have seen at close hand the personal development that children gain. It also allows parents to become more involved in their children’s learning process, and it is hoped that that will continue when the children enter the primary school system because this encourages parents to communicate with the children as well as with their teachers, which is an extremely important aspect in the learning process.

However, some preschools have not been able to get the numbers they need and perhaps amalgamation should be looked at carefully by kindergarten committees. Not all preschools can sustain the numbers to be viable. They should be considering the option of amalgamating with local primary schools. I make a plea to the minister to see whether his department can cut back on the enormous amount of paperwork that is currently required to be done by volunteers in this area.

Debate interrupted pursuant to sessional orders.

Sitting suspended 1.00 p.m. until 2.04 p.m.
RESIGNATION OF MINISTER

Mr KENNETT (Premier) — I wish to inform the house that last night the member for Polwarth tendered his resignation from the ministry, a resignation that I accepted. I further inform the house that until further notice I will be the acting Minister for Finance and will take all questions relating to that portfolio.

QUESTIONS WITHOUT NOTICE

Former Minister for Finance

Mr BRUMBY (Leader of the Opposition) — I refer the Premier to the statement of claim which has been issued by Cheryl Harris against the former Minister for Finance, the member for Polwarth. Will the Premier inform the house whether the member for Polwarth will be given indemnity by the government against any legal costs relating to the matter?

Mr KENNETT (Premier) — It is interesting that the Leader of the Opposition, as he did on radio this morning, takes such pleasure from this turn of events even though it has been, if you wish to put it this way, a self-inflicted wound, which the opposition, as always, has played no role in whatsoever. I regretted, as I think most people would, the resignation of the minister yesterday. The issue will obviously be settled in the courts through due process.

At this stage I have not even addressed my mind to the specifics of the matter, nor has the member for Polwarth made any submission to me. There are two fundamental issues involved: one is of a personal nature and the second is about a potential termination of contract. As I understand it, the termination has not taken place and the writ, or the complaint, was issued in advance of any termination.

As the Leader of the Opposition would know, the state government is the second defendant in the complaint lodged by Ms Harris and will certainly be represented.

Mobil Altona refinery

Mr FINN (Tullamarine) — Will the Premier advise the house of the progress of a major investment project at the Mobil Altona refinery?

Mr KENNETT (Premier) — Earlier today, in company with the honourable member for Williamstown, I attended the Mobil refinery. As the house will know, Mobil is a major investor in the state's petrochemical industry. The company has seen fit to further expand its operations here even though the vagaries of the industry have resulted in a worldwide oversupply and, ultimately, more competition coming into both Asia and Australia.

Approximately one year ago I attended the Altona refinery to announce Mobil's $1 billion refurbishment program as well as its contributing new equipment to the site. Stage 1 of that development has been completed at a cost of just under $100 million. Today we turned the first sods of the second stage, the $250 million construction of a fluidised catalytic cracker which is the keystone of the modernisation program. It is important because it shows Mobil has confidence in this country and in this state. A Japanese company by the name of Toyo Engineering Corporation is supervising the construction of the new FCC.

It also provides an extra 400 jobs during the construction of the FCC as well as cementing the future and prospects for those who are currently employed at the Mobil operation.

One of the important things about this new development is that with the introduction of new technology this sort of industry is able to produce more and ultimately produce it in a cleaner environment. Of course it is always of concern to this house that industry meet its community service obligations in the way it produces its product or service.

This development should be seen as another major boost for the western suburbs, an area that was neglected under the previous government, but since the election of this government it has been the beneficiary of a great deal of new investment. Whether it be Bunnings, the new centre that will be built at Moonee Valley and provide 600 jobs or this new FCC, this government recognises that all parts of the state should be able to share in the economic and social rewards of good government. The people of the west should understand that for the first time in a decade now they are being recognised as equal partners, not just as cannon fodder for the Labor Party. They are sharing very fully in the benefits this government's management techniques are bringing to Victoria.
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We were pleased — I think I speak on behalf of the honourable member for Williamstown — to be associated with this event this morning. It is a very important signal to not only the rest of the Australia but also the rest of the world that this community continues to be at the leading edge, in this case in the petroleum industry, on Monday in the road construction industry, and in the weeks before that in a whole range of business activities coming to the state of Victoria.

Former Minister for Finance

Mr BRUMBY (Leader of the Opposition) — My question is again to the Premier. I refer to section 95A of the Public Sector Management (Amendment) Act, which states that ministerial advisers are employed subject to the directions of the Premier in respect of their conditions of employment. I refer the Premier to the individual employment agreement between Cheryl Harris and the former Minister for Finance dated 13 November 1994 and ask: did the Premier approve this contract and is it consistent with the directions set out by the Premier in respect of the conditions of employment and termination of employment for ministerial advisers?

Mr KENNETT (Premier) — I have not seen a copy of the contract and I do not suppose the Leader of the Opposition has, unless he has been working closely with Slater and Gordon over this issue. We have no copy of it.

Mrs Wilson — What a suggestion!

Honourable members interjecting.

Mr KENNETT — Anyone who wants to question the worthiness of the legal processes in this state has only to have a look at the performance of Slater and Gordon in the past 24 hours in that, having put the complaint in to the Magistrates Court at about 5 minutes to 4, it was obviously made available. That’s fine. Today, when the writ was served, as I understand it the media had been tipped off by Slater and Gordon, and more recently the Slater and Gordon lawyers held a full-blown press conference. That just shows they believe the concept that the American system of administering law should be part of the Australian system. I don’t think what Slater and Gordon has done in any way enhances public confidence in the legal process. Whether it be you, Mr Speaker, or me or the member for Polwarth or the member for Dandenong North, if you are ever going to be subjected to this sort of complaint or any complaint that is part of the legal system, you are entitled to be treated as a normal and decent citizen.

I think Slater and Gordon has today abused the trust that should exist in that organisation.

As I indicated earlier, last night I received the resignation letter of the member for Polwarth. The reason I accepted it is that I can’t judge the issues based on the so-called statement of claim between Ms Harris and the member for Polwarth. That is something that will be tested in a court of law, and I trust it will be left to a court of law to be properly tested and will not be abused by legal representatives or this house. I accepted the resignation because on the surface, again having not seen any contract — we have no records of any contract and Ms Harris apparently has the only copy of the contract — and whether that contract is — —

Honourable members interjecting.

Mr KENNETT — Well, do you want the answer or don’t you? As I was saying, Ms Harris has the only copy. Apparently a request went out for a copy of the contract to be made available. It was refused. I have no knowledge at all of whether the contract Ms Harris or Slater and Gordon have is the contract that was signed by the minister or whether it is the contract that was signed in whole or in part by the minister, but given that there is some doubt and given that it is not in line with the requirements that I established for the employment of ministerial staff, I accepted the minister’s letter of resignation.

Sale prison

Mr RYAN (Gippsland South) — Will the Minister for Corrections inform the house of the latest developments concerning the construction of a new prison at Sale and the employment prospects the project offers?

Mr McNAMARA (Minister for Corrections) — In October 1993 the government established a new prisons project. The purpose of the project was to deliver three new prison facilities: two 600-bed facilities to replace the Coburg complex, one of which would be located in regional Victoria, and a new women’s facility to replace the existing Fairlea Prison. We have already announced that the new women’s metropolitan correctional facility will be built at Melton and will be completed by the middle of next year, 1996.

I am pleased to announce that we have a preferred consortium for the construction of the new facility to be built in the Sale area. Following the public
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announcement by the Premier in Sale not so long ago that Sale is the preferred location for that country prison we called for the various consortia to put proposals forward. The proposals had to cover not only design and finance for the prison but also management. We set a benchmark which meant that the existing recurrent costs for inmates in the Coburg complex had to be bettered by the private sector. Not only did the recurrent costs have to be bettered but the price also had to include the capital component. The annual recurrent costs of running the new facility had to include debt-servicing for the capital component and be cheaper than the recurrent costs only involved in running the existing facility at Coburg. We have achieved that benchmark, which the opposition said time and again was impossible, and we achieved that benchmark fairly easily.

The new prison will be a major economic boost for the Gippsland area, creating between 600 and 1000 jobs during construction and more than 200 permanent jobs while the facility carries on.

Mr Gude — Good news!

Mr McNAMARA — This is good news for regional Victoria and certainly good news for South Gippsland. The prison will begin operation by 1997. The preferred consortium is Australian Correctional Services Pty Ltd, which is made up of Australasian Correctional Management Ltd as the prison operators, Thiess as the construction contractors, and AMP Investments Australia Ltd, a wholly owned subsidiary of the AMP Society, as the financier for the proposal.

The project represents a major saving for taxpayers and a major investment in employment and growth in the Gippsland area. I would hope all members of this house — I certainly know they do on the government side — welcome this proposal. For 40 or 50 years we have talked about closing the Coburg Pentridge complex but no government has been able to do it! That has been done by this government. The project represents the biggest investment in upgrading the state’s prison infrastructure in the past 100 years.

Former Minister for Finance

Mr BRUMBY (Leader of the Opposition) — I refer the Premier to the comments of the former Minister for Finance in this place on 9 November 1994 when he criticised the employment contracts of ministerial staff under the former Labor government. He claimed that:

... some of them did not even sign their own contracts or have them signed by a proper officer — and when it came to paying them out in many cases there were some years of the contracts to run. Most of them were three to five-year fixed-term contracts, unlike the contracts that this government insists on.

Why only four days later on 13 November did the Premier permit the former Minister for Finance to enter into a contract with his chief of staff for a fixed period of four years, which also provides for a massive termination payout for Ms Harris?

Mr KENNETT (Premier) — I can understand the Leader of the Opposition getting somewhat excited by this event. As I said earlier, I have not seen a copy of the contract. I do not know the contents of any contract.

Mr Brumby interjected.

Mr KENNETT — Are you asking the question or supplying the answer? If you were ever given leadership responsibility in an environment that mattered you would be a very bad leader if you were not prepared to delegate responsibility. If you consider your role as one of correcting, approving and signing every contract, I believe you will find yourself in an absurd situation.

An opposition member interjected.

Mr KENNETT — I will tell the honourable member where the standards are. From time to time there will no doubt be individuals in this house who will regret something that has happened in the past. But members on this side of the house will never turn on their own, which the Leader of the Opposition and Rob Hulls did to the honourable member for Melbourne in one of the most deceitful acts the house has seen — at a huge cost to the honourable member. That has probably destroyed his career and has certainly undermined his health. Don’t you come to me telling me about standards!

Honourable members interjecting.

The SPEAKER — Order! The house will come to order, and the Premier will come back to the question.

Mr KENNETT — If members of the community want to be reassured about the standards and propriety of this government, they only have to look at how quickly the government moved last night when the matter was brought to its attention —
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 unlike the previous government, which did everything it could to protect the current honourable member for Thomastown from his absolutely illegal and criminal act in interfering with the legal process.

Mr Batchelor — On a point of order, Mr Speaker, the Premier has used words that I regard as offensive, and I ask for them to be withdrawn.

The SPEAKER — Order! The Chair has some difficulty with the — —

Honourable members interjecting.

The SPEAKER — Order! I wonder whether the opposition will allow me to finish! Which words did the honourable member find offensive?

Mr Batchelor — The reference by the Premier to my being a criminal.

The SPEAKER — Order! The honourable member for Thomastown finds the word offensive. I ask the Premier to withdraw.

Mr KENNETT — If truth is a defence, I withdraw.

Honourable members interjecting.

Mr KENNETT — I withdraw. I return to the question asked by the Leader of the Opposition: did I approve of or sign the contract for the ministerial staff member? The answer is that I did not sign for any minister's personal staff except for my own. I am happy to delegate responsibility. I have put guidelines in place. As I said in my last answer, although I have not seen the contract, including whether the contract is the one that it is claimed has been signed, in whole or in part, the honourable member for Polwarth said he signed a document that was not in accord with those guidelines. It was on that basis that I accepted his resignation.

Hospitals: waiting lists

Mrs McGILL (Oakleigh) — Will the Minister for Health advise the house of the measures taken to reduce our public hospital waiting lists?

Mrs TEHAN (Minister for Health) — I thank the honourable member for Oakleigh for her question and her interest in the criteria for judging public hospital performance. As the honourable member and others will know, the introduction of case-mix funding has seen a significant drop in the number of people on public hospital waiting lists, especially in the urgent category. When we came to office we inherited a waiting list that contained more than 1000 people who were waiting for urgent surgery in the last days of the Labor government. That has now been reduced to 20, and we hope to further reduce that to zero by 30 June this year. Instead of more than 1000 people waiting for urgent surgery, we now have only 20 people in one hospital waiting longer than 30 days for urgent surgery.

In the first year of case-mix funding we saw a similarly significant reduction in category 2 patients — that is, people who should wait no more than 90 days for urgent surgery. That trend was continuing until we experienced the consequences of the number of people who have dropped out of private health insurance over the past couple of years. Approximately 2000 Victorians a week are dropping out of private health insurance and depending on the public hospital system. That is reflected in the change in the number of people in categories 2 and 3 compared with the record low levels at the end of June 1994.

It is important to address the upward trend in the number of category 2 and 3 people waiting more than the clinically acceptable time, and we will do that in three ways. Firstly, we will continue to press the commonwealth government to do something about the biggest single issue facing the nation's health system — the fall in the number of people with private health insurance. We will do that on Friday when state ministers meet with the commonwealth minister at a health ministers' forum. That continues to be the biggest single issue affecting the health system and public hospitals in this state.

Secondly, the department has given public hospitals further incentives to treat patients on category 2 waiting lists. In hospitals such as the Austin there will soon be only 200 people in that category compared with 400 when the Labor government left office. We need the cooperation of the commonwealth government, including a better use of the $45 million that it has put aside to address the matter. We also need the commonwealth to address the major issue of the decline in private health insurance numbers and the impact that is having on the public hospital system.

Ministerial staff: contracts

Mr BRUMBY (Leader of the Opposition) — Will the Premier guarantee that no other member of the ministerial staff has or has had conditions of
employment in breach of his guidelines and
directions issued under the Public Sector
Management Act?

Mr KENNEN1T (Premier) — I am not aware of
any other contracts in that form. I think the events of
last night will guarantee that not many ministers
will enter into them in the future.

Kangaroo blindness epidemic

Mr PATERSON (South Barwon) — Will the
Minister for Natural Resources inform the house of
steps the government has taken to discover the
cause of the recent kangaroo blindness epidemic that
has occurred in eastern Australia generally and in
Victoria in particular?

Mr COLEMAN (Minister for Natural
Resources) — All Australians consider kangaroos to
have a special significance in one way or another.
The outbreak of a kangaroo blindness epidemic throughout much of the rangeland of eastern
Australia has had a dramatic effect on kangaroo
populations. Significant work has been done by both
the Victorian Institute of Animal Science at Attwood
and by scientific staff of the Department of
Conservation and Natural Resources to try to
establish the cause of the epidemic on such a large
scale and to find a way of reducing the number of
kangaroo deaths.

The problem has been identified as orbivirus, a virus
which both affects the retina of the eye and infects
the brain, and which has a dramatic and permanent
impact on any animal that contracts it. As at June of
last year the virus was reported to have affected
10 per cent of the kangaroo population of the
Hattah-Kulkyne National Park. An annual census
will be undertaken at Hattah-Kulkyne, Wyperfeld
and Murray-Sunset national parks to determine
whether the same percentage of infection is
occurring across the area.

This problem is not confined to Victoria. On 14 June
a conference will be convened at Broken Hill to
discuss the matter. Attending the conference will be
representatives of New South Wales, Victoria, South
Australia, Queensland and the commonwealth.
Notwithstanding that the virus has been ravaging
the kangaroo population for something like five
months, this is the first time the commonwealth has
taken an interest in the matter. A representative of
the Australian Nature Conservation Agency will
attend and provide expertise to assist in
addressing the problem.

Work is still being undertaken to establish what
needs to be done. The Attwood laboratory, together
with the Department of Conservation and Natural
Resources, is attempting to establish whether any
other viruses are affecting kangaroos and causing
blindness, and the length of the incubation period. A
similar outbreak occurred at Charleville in
Queensland in 1975. At that time kangaroos
developed an immunity to the virus, and work is
continuing on establishing whether immunity is also
building up in the Victorian and New South Wales
kangaroo populations.

An encouraging sign is that in the past few weeks
the number of deaths has fallen dramatically,
suggesting a direct correlation between the effects of
drought and the virus. That is probably the most
effective area of research: establishing whether
drought-induced deaths of kangaroos are related in
any way to the impact of the virus. The forum at
Broken Hill will deal with that issue and I am sure
we will all be further enlightened as a result.

DRUGS, POISONS AND CONTROLLED
SUBSTANCES (AMENDMENT) BILL

Introduction and first reading

Mrs TEHAN (Minister for Health) introduced a
bill to amend the Drugs, Poisons and Controlled
Substances Act 1981 and for other purposes.

Read first time.

EXTRACTIVE INDUSTRIES
DEVELOPMENT BILL

Introduction and first reading

Mr S. J. PLOWMAN (Minister for Energy and
Minerals) introduced a bill to make further
provision for extractive industries, to repeal the
Extractive Industries Act 1966, to amend the
Planning and Environment Act 1987 and make
consequential amendments to other acts and for
other purposes.

Read first time.

ROAD TRANSPORT CHARGES
(VICTORIA) BILL

Introduction and first reading

Mr BROWN (Minister for Public Transport)
introduced a bill to apply certain laws of the
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commonwealth relating to road transport charges as laws of Victoria and for other purposes.

Read first time.

UNIVERSITY ACTS (FURTHER AMENDMENT) BILL

Introduction and first reading

Mr HAYWARD (Minister for Education) — I move:

That I have leave to bring in a bill to amend the Monash University Act 1958, the Melbourne University Act 1958, the La Trobe University Act 1964, the Deakin University Act 1974, the Victorian College of the Arts Act 1981, the Victoria University of Technology Act 1990, the Swinburne University of Technology Act 1992, the Royal Melbourne Institute of Technology Act 1992, the University of Ballarat Act 1993 and the University Acts (Amendment) Act 1994 and for other purposes.

Mr SANDON (Carrum) — May I inquire as to the intent of these amendments?

Mr HAYWARD (Minister for Education) (By leave) — The purpose of the bill is to make amendments to the various acts establishing the Victorian universities and to the Victorian College of the Arts Act 1981 for a range of purposes: to improve the administration of the universities, and in particular to provide for extensions of borrowing powers, changes to confirmation procedures, decision-making mechanisms, use of new forms of communication; and miscellaneous other amendments to streamline the administration of tertiary institutions and remove unnecessary constraints on their operation.

Motion agreed to.

Read first time.

STAMPS (FURTHER AMENDMENT) BILL

Introduction and first reading

Mr STOCKDALE (Treasurer) introduced a bill to make further amendments to the Stamps Act 1958 and for other purposes.

Read first time.

BUSINESS FRANCHISE (TOBACCO) (AMENDMENT) BILL

Mr STOCKDALE (Treasurer) — I move:

That it be an instruction to the committee that they have power to consider an amendment and new clause to the Business Franchise (Tobacco) (Amendment) Bill to provide for the increase in fees payable for licences issued under the principal act.

Motion agreed to.

NATIONAL PARKS (YARRA RANGES AND OTHER AMENDMENTS) BILL

The SPEAKER — Order! As the required statement of intention has been made pursuant to section 85(5)(c) of the Constitution Act 1975, I am of the opinion that the second reading of this bill needs to be carried by an absolute majority of the house.

Government amendments circulated by Mr COLEMAN (Minister for Natural Resources) pursuant to sessional orders.

Second reading

Debate resumed from 2 May; motion of Mr COLEMAN (Minister for Natural Resources).

Mr SHEEHAN (Northcote) — This is a significant piece of legislation in that it creates a new national park very close to Melbourne. I make clear the opposition's support for the legislation but flag our intention to move for enlargement of the park to include areas of high conservation value.

The criteria for assessing this bill are threefold: firstly, whether it satisfies the criteria for a national park — in other words, whether the bill is consistent with the national park values we have come to expect; secondly, whether the bill is economically responsible; and thirdly, whether it is socially just. Those are important criteria.

Decisions about national parks are extremely difficult. They are probably not as difficult in this country as they are in very settled countries such as those of Europe. Australia does not have the difficulties that England has, for example, where whole townships and industrialised areas have had to be included in national parks. Australia has extensive and relatively untouched natural areas. Nevertheless, the decisions are still quite difficult for three reasons.
The first is that public attitudes to national parks are extremely polarised, particularly as decisions on national parks often affect productive and extractive uses.

The second reason is that the scientific data cannot determine the outcome at all. Data will be subject to interpretation and that interpretation will always be a matter of the values various people in institutions or organisations bring to it. The third reason why such decisions are difficult is that, of course, zero-based planning is not possible. We are not starting with a clean slate. The areas are not pristine and we live in a settled continent. Therefore, any decision about national parks will involve some degree of compromise regarding competing values and attitudes towards protection and production that have to be satisfied; the interpretation of data; and, our willingness to acknowledge the fact that we are using areas that have been subject to previous occupation or use.

With regard to public attitudes — they are particularly relevant in forestry areas — at one extreme we have the argument that there should be no logging in native forests, which would specifically exclude logging activities from not only national parks but also from state forests. At the other extreme is the argument for the use of almost all parts of forests for logging provided there are reasonable codes of forest practice. Right along that continuum there is a whole range of positions that could roughly be categorised as the log-everything to the log-nothing arguments. In regard to the scientific arguments, a whole range of data will be interpreted according to positions held, ranging from the ecological-doomsday position to the economic-vandalism position.

I said earlier that it is impossible to have zero-based planning. The fact is that there is not an area of Victoria in a national park or proposed to be in a national park that has not at some stage been grazed, mined, used for various recreational purposes or subject to occupation by the indigenous people of this nation. There has also been spasmodic settlement by white settlers.

Throughout the process of determination of national parks we are balancing competing needs and values. Decisions are not easy and the bases for making them are not always clear. How does this legislation measure up against the criteria we can reasonably expect of national parks legislation? How does it measure up against the criteria for national parks and how does it measure up in terms of its economic responsibility and the viability of the industries affected by it?

If we look at the economic arguments about the park we will see that the economic impact appears not to be large. However, before moving through this argument I must say that the assessment offered by the LCC is rather limited; it talks in a limited fashion of tourism counterbalancing the loss of timber resources, but parks should not be assessed from the implied assumption of a negative economic impact.

National parks can be, and in most parts of the world have proven to be, extremely important economic positives. Certainly in the short term there is the potential for job displacement and an impact on resource availability for some industries, and obviously some types of industries are adversely affected. On the other hand, the creation of national parks gives other types of industries a particular advantage: the most obvious one is tourism. Adventure tourism — ecotourism — is the fastest growing sector of the most rapidly expanding industry in Australia. In assessing the total economic impact of national parks we should look at the positive contribution parks can make to the development of tourism and related service industries.

The experience in New Zealand along the west coast and in the Fiordland indicates that although the forest and extractive industries have been adversely affected, the tourism industry has more than replaced the jobs lost there. We have even found some mobility of labour between the extractive and tourist industries. Many of the jobs are similar. All jobs in logging are not related just to cutting down trees; they are related to a whole lot of the supporting activities, so there is a possibility of mobility of labour between the tourism and extractive industries.

I reiterate that a proper economic assessment should look at the positive economic impacts; not just at the negative impacts of the park. The LCC assessment has a tendency to focus on the negative rather than the potential.

The timber industry is most sensitive to the expansion of national parks in this corner of the world. And with good reason. For many years the industry has suffered from uncertainty about the supply of timber and operated in a pretty hostile environment.
The national park proposed by the bill, however, covers mainly areas that were previously not accessible to the timber industry. In fact, of the public land available there, about 63 per cent will continue to be available for productive forestry within the provisions of the code of forest practices, the Flora and Fauna Guarantee Act and so on. The recommendations mean a loss of some 5000 cubic metres per annum, which could involve 22 direct and 33 indirect jobs. The job losses affect real people with families and real economic and social needs. We should not underestimate those costs. I believe the recommendations made by the LCC in this regard are reasonable and acceptable.

I will read a section from page 18 of the LCC report because it is important:

During preparation of the recommendations, the council was concerned about the potential flow-on effects that a reduction in availability of sawlog resources would have in terms of employment, current and future investment and impacts on some communities in the study area, particularly in the current economic climate. It was also aware of other requirements relating to planning and management of state forest that may further reduce the availability of timber resources. It has therefore proposed that the current legislated yield of sawlogs from the respective forest management areas be sustained through the current period to 2001, and that reconciliation of the reduced availability of logs be undertaken in the next period, when a net increase in sustainable yield was expected.

Given that sensible proposition from the LCC, I believe the social and economic impacts are wearable in this case and will be ameliorated by the proposal of the LCC.

In saying that, I make it clear that the Labor Party, the opposition, is not dismissive of the needs of the timber industry. Labor supports the timber industry. In office it developed and implemented the timber industry strategy and achieved some major breakthroughs for industry, for workers and for conservation values of the state.

With regard to the industry and workers, the timber industry strategy introduced by the Labor government in 1986 provided for: one, resource security and regional sustainable yield for the industry; two, proper planning with appropriate public participation; three, value-adding forestry and timber processing; four, compliance with the Occupational Health and Safety Act; and five — almost as importantly — reduced acrimony and disputation in the industry.

In other words, the long-term legislated licences provided for industry and workers: the greatest breakthrough the industry had ever experienced. The compliance with the Occupational Health and Safety Act was particularly important and quite hard fought. When in office Labor provided for not only a proper recognition of the environmental values of our forest areas but also the security and safety of people working in them.

Apart from having a record of supporting an environmentally and ecologically sustainable timber industry, the Labor Party has certain expectations of industry. It expects industry to invest in product and market development, value adding, new technology, safer and improved working conditions and the education and training of management and workers.

Furthermore, we understand that as a government we would have to provide an environment that is conducive to that investment and we would provide that by, firstly, accepting forestry as an ecologically sustainable and responsible economic activity; secondly, by providing for continued security of the resource via native forests and further development of plantations; and thirdly, by demonstrating a commitment to the future of the industry through government supported training and marketing programs. Fourthly — this is something we should not do — we should not expose the industry to endless reviews and new claims which erode its confidence and viability and effectively legislate it out of existence.

We understand the need to provide certainty for an ecologically sustainable timber industry in this state. We took huge steps towards that when we were in government, and when we are returned to government we look forward to the prospect of refining that work of ensuring that there is certainty for the industry in the supply of the resource, a proper regime of investment and product development, and security and safety for the workers involved in the industry.

The economic and social impacts of the proposed national park are sustainable, but we fear that the economic and social analysis that the LCC has provided is rather static and that the government is exposing itself to continued or renewed regimes of disputation in the forests because with a reduction in the provision of financial resources for the implementation of the Flora and Fauna Guarantee
Act and the code of forest practices it is dragging the operations of the timber industry into disrepute. It will cause irreparable long-term damage to the timber industry.

We contend that the Flora and Fauna Guarantee Act and the code of forest practices are not matters only for conservationists but are very much in the interests of the industry. We believe the government is putting the industry at risk by running down these protective mechanisms.

Furthermore, on the question of environmental values, we believe the bill is inadequate in its scope and that the national park boundaries should be amended to include the upper catchments of Armstrong and Cement creeks. I foreshadow that we will move amendments during the committee stage to deal with these matters. They are not large amendments to the boundaries but they affect what we believe to be particularly sensitive upper catchment areas.

The LCC report refers to the argument put by the Victorian National Parks Association for larger parks. The VNPA has recommended 10 additional areas to be included in the park boundaries. They include the Cement Creek catchment, the Armstrong Creek catchment, Mount Bullfight, the Upper Acheron Valley, the Lake Mountain alpine resort, the Whitehouse Creek area, a link with Baw Baw National Park, Mount Kitchener, Mount Torbrek and the Ada River. Those 10 recommendations, if adopted, would add extensively to the park and would have a profound impact on the availability of the resource in the area.

We propose that two of those areas be included in the park: the Cement and Armstrong Creek catchments. The Cement Creek catchment is alongside of one of the proposed link areas. The conservation and potential recreation values of this area are significant, as is its proximity to Warburton. Cement Creek forms a scenic backdrop that would be devastated by logging, and it would potentially affect tourism in the area. The Cement Creek upper catchment incorporates nature conservation values including a site of national botanical significance for old high quality intact vegetation. The Cement Creek rainforest site is of state significance, as are the areas of old growth forest. The area is particularly valuable for water production. The Cement Creek catchment should be included in the boundaries of the park.

Furthermore, we believe the boundaries of the park are inadequate because they fail to include areas of rainforest at the headwaters of the Armstrong Creek securely protected by national park status. In this area there is an excellent example of a pure rainforest stand without any emergent eucalypts. There is also a large area of mature or senescent mountain ash forest within this proposed edition, which is vital for the provision of habitat for hollow-dependent species of mammals and birds. The addition of this area to the proposed park would serve to broaden the link between the water catchments without resulting in any significant impact on the overall forest resource in the study area. It would also increase the altitudinal range of the link, which is extremely valuable if climatic change occurs.

We believe the inclusion of those two areas is particularly important for their water catchment values and would add significantly to the values of the park. During the committee stage we will move for the inclusion of those two areas of the Cement Creek and Armstrong Creek upper catchments within the proposed boundaries of the Yarra Ranges National Park.

Mr COOPER (Mornington) — I was interested to hear the honourable member for Northcote say that the Labor Party supports the timber industry and expects it to make, among other things, a significant capital investment in the industry to demonstrate that it believes it has a future in this state.

The bill will have a significant impact on industry in the central highlands. It is important that the opposition understands that the timber industry has already invested significant amounts of capital in the central highlands, which contains the critical mass of Victoria's hardwood value-adding industry. In recent years the central highlands producers have invested more than $60 million in value-adding processes. The timber industry should be congratulated on both the size of its investment and the signal that it sends of its confidence in the future.

The central highlands has some major timber producers. They include long-established companies such as Neville Smith Timber Industries Pty Ltd, for whom I worked as national marketing manager. That company has recently reopened its operation at Heyfield after closing it for some years during the recession. Other companies include the long-established J. L. Gould Sawmills Pty Ltd in Alexandra; Marbut Pty Ltd, which has sawmill operations at both Seymour and Murrindindi; Alex...
Demby Timber Co. at Toolangi; McCormack Timbers Pty Ltd at Broadford; Drouin West Sawmill Pty Ltd at Drouin West; and Bonang Timbers Pty Ltd at Heyfield. These companies have made significant investments, on which hang the jobs of many hundreds of timber workers. None of us should forget the other side of the coin — the jobs indirectly created by Victoria’s huge timber industry.

I will concentrate on the impact of the legislation on the industry. I again direct the attention of the house to the minister’s second-reading speech, in which he makes the following comment:

... the government is committed to maintaining a sustainable timber industry in the state forests of the central highlands ...

That is an important statement. It represents a commitment by the government to an industry which has been with us a long time and which I trust will continue to be with us for a long time. Throughout the many years of its existence it has shown a commendable interest in and concern for the environment and the sustainable and renewable resource it is dealing with.

The opposition has signalled its intention to move an amendment during the committee stage that will add two additional areas to the proposed Yarra Ranges National Park. In making that statement the honourable member for Northcote should have acknowledged that the area has been the subject of long and detailed analysis by the Land Conservation Council. There are two major conflicting interests — the conservation movement on one hand and the timber industry on the other, both of whom are parties to the process. The general community is also involved. Neither of those two major competing interests was completely satisfied with the LCC report.

The timber industry has said it is prepared to compromise and accept the recommendations of the Land Conservation Council, albeit reluctantly. The hardliners in the conservation movement have said there is no way they will compromise. Their ultimate aim is to put the timber industry in the central highlands and the rest of the state out of business. I saw the consequences of the drip method of dealing with the claims of the conservation hardliners when I sat on the other side of the house. You put things out for analysis and report by an expert body — in this case the Land Conservation Council. Once you get the report you say, ‘Okay, we will accept it’. Pressure then comes from the hardline greenies, after which there is a little bit of give. Ultimately the drip process leads to the extension of new national parks.

The opposition’s proposal to add two areas to the national park constitutes a vote of no confidence in the Land Conservation Council. It again demonstrates the opposition’s weakness in dealing with the hardline section of the conservation movement, which has shown it is not prepared to compromise. It will continue to badger and push and shove and rant and rave until it gets its way. Giving way to the conservation movement would see the loss of many thousands of timber industry jobs, directly and indirectly, throughout Victoria.

I am sure that, on reflection, members of the opposition would not see that result as reasonable. The union that represents timber workers would certainly not see it as reasonable. It would be outraged to discover that the Victorian Labor Party is buckling at the knees. I do not know whether the Labor Party is really committed to the two areas or whether the amendment is part of its normal pattern of not wanting to say it agrees with any government legislation and finding something to disagree with for opposition’s sake. If the commitment is real the timber industry workers union has reason to be worried about the party that purports to represent their interests in Parliament. Certainly during the committee stage we will see whether the commitment is real and whether it can be justified and sustained.

As I said at the start of my contribution, I strongly support the proposition put by the minister in his second-reading speech, when he committed the government to maintaining a sustainable timber industry in the state forests of the central highlands. The legislation will protect a large area of mountain ash forest and temperate cool rain forest from logging for all time, putting it under the banner of a national park. The bill therefore achieves the best result for the two competing interests, despite neither being completely happy with the recommendations of the Land Conservation Council. The fact is each gets most of what it wants.

I am concerned about the ill-founded comments in the press in recent times about the activities of the timber industry in our native forests. An interesting letter and an interesting article appeared in the Mornington Mail on April 13 this year. The letter was from a Mr M. J. McDonald of Rye, who is a former member of this place. He was the Labor member for Whittlesea from 1982 to 1992.
Mr McDonald made a long and sustained attack on the timber industry as he saw it. In his letter he attacked what he saw as the wholesale destruction of Victorian forests. Mr McDonald was, unfortunately for him, not able to get away with that, because Mr Alan Eddy, a forester and a man with extensive experience in the forestry industry and in forest management who lives in Mount Martha in my electorate, replied to Mr McDonald in a letter to the editor. He said:

It is almost beyond belief that a member of the Parliament from 1982 to 1992 could imagine that 'wholesale destruction of our forests' is taking place ... Surely any member with an interest in the native forests would be aware of the significance of the report of the board of inquiry into the timber industry (1985), the government's timber industry strategy (1986) and the code of forest practices for timber production (1989). These have ensured that long-term planning and control of timber harvesting in the mountain ash and other state forests are conservative, and standards of environmental care are observed. Put simply, there is no rational case for stopping timber harvesting in state forests.

In the last paragraph of his letter he says:

The forest industries are producing increasing proportions of high quality products and components from mountain ash and other Victorian hardwoods. Companies have been developing export markets and have recently invested $10 million in value adding, including installation of some 90 new kiln-drying chambers in Victoria. Mountain ash is a very valuable hardwood, for sawn timber and for paper. We should insist that plentiful supplies remain available for Victorian industries through the scientific protection and management of our state forests.

Mr Eddy makes that strong point in his letter. His is an educated point of view, a point of view that is backed up by years of experience and puts the lie to the kind of rubbish being peddled by Mr McDonald in stating that wholesale destruction of our forests is taking place in Victoria.

Anyone who got out and walked more than 10 feet from the end of the exhaust pipe of his or her car after driving to our forest areas would know that that sort of statement is an absolute lie. But some people seem to believe that what they see on television or in photographs taken immediately after a logging operation is in fact rampant throughout our forests. It is about time some of the people who are writing the rubbish about logging and the timber industry in Victoria got off their backsides, left their comfortable villas somewhere in the city of Melbourne and saw what is going on and spoke to the loggers and the people operating sawmills to find out what the reality is. Then we wouldn't have the Max McDonalds of this world writing the kind of rubbish he wrote that appeared in the Mornington Mail in April.

In February the Labor candidate for the federal seat of Flinders, a Mr Ian Watkinson, dipped his nose into the issue. He quoted at length from something that was obviously provided to him by the federal environment minister, because I doubt that Mr Watkinson has ever been into a forest. He states:

Australian forest industry practices are 'often outdated' and need close scrutiny ...

To finish off the article he said:

Finally, the federal government should not be put in the position of trying to control state governments' mismanagement of forest conservation and their timber industries by use of export woodchip licences.

Mr Watkinson is by inference attacking the Victorian timber industry. In doing so he exposes his complete ignorance of forest practices in Victoria. I do not know and do not pretend to know, and I am certainly not going to stand here and defend them, about forest practices elsewhere in Australia. They may be good; they may be bad. I do not know. But I do know a fair bit about forest practices in Victoria. I can tell the house that Mr Watkinson's statement shows complete ignorance and is a slur on people who work in the industry, many of whom would be paid-up members of the Labor Party. They should be outraged that this man, who pretends to be a candidate at the next federal election, is attacking a major Victorian industry and the people who work in it by talking about their mismanaging the forests of this state.

That is clearly wrong. It has always been wrong and, if it had any validity, an examination of the activities of the previous Labor government when Joan Kirner was Minister for Conservation, Forests and Lands would show that it is wrong. When Mrs Kirner was Minister for Conservation, Forests and Lands she made many changes to forestry and logging practices in this state and introduced the industry requirements concerning value adding that are now part and parcel of the industry. Nearly 10 years after Mrs Kirner was the Minister for Conservation,
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Forests and Lands a federal Labor candidate comes along and attacks the Victorian timber industry in an ignorant and ill-informed way.

It is important to put on the record some of the steps taken in Victoria to manage public land and forests. The Victorian approach to public land management goes through a process that was set up under a Labor government. Land allocation is recommended by the Land Conservation Council, with direct management of that land by the Department of Conservation and Natural Resources.

It is also important for members to have clear in their own minds the statistics on public land use in Victoria. There are 3.7 million hectares of parks and reserves; there are 3.5 million hectares of state forests, 1.3 million hectares of which is suitable and available for timber production; and there are 1.6 million hectares of other Crown land. Putting that in context, we have 8.8 million hectares of public land in Victoria, 1.3 million hectares of which is available and suitable for timber production. That is not wholesale destruction of forests; it is sensible use of a renewable resource. For people to make claims such as those made by Mr McDonald and Mr Watkinson suggesting that there is something wrong with public land management and the timber industry in this state is simply crazy, and their claims are not backed up by the facts.

The Victorian approach to the timber industry is very interesting. Much of it relates back to things that occurred when the Labor Party was in power, all of which were questioned by the industry and the opposition at the time but were accepted. They were certainly not attacked. In the mid-1980s, following the East Gippsland Land Conservation Council study and the Ferguson timber industry inquiry, the timber industry strategy was put into place. In the late 1980s, still with the Labor government in power, timber harvesting was set at sustainable levels for all forestry areas. That involved a 45 per cent reduction in availability in East Gippsland alone. The minister responsible at the time was Mrs Kimmer, so for anybody in the Labor Party, in this house or outside it, the people who fly under the banner of the Labor Party, to be attacking the Victorian timber industry is outrageous and simply incredible.

Long-term supply contracts with the sawmilling industry were established at that time. The typical contract is for 15 years, which gives sawmillers some stability and future certainty. During that time supply to major companies such as APM and CSR was legislated. The industry has certainly been accommodated, although not as it would have liked, but it has been prepared to cut its coat according to the cloth and accept restrictions. That reining in took place under the Labor government in the interests of the community and of getting on with the job.

The sad part is that the other side of the equation, the conservation movement, has not been as prepared or willing to accept compromise as the timber industry. In the early 1990s we have an industry that is actively investing in value-adding processes and doing the job for the Victorian economy and employment. It should be congratulated for that and not belted around the ears, as members of the Labor Party are apparently trying to do at present. It is sad that the opposition is now saying the arrangements that were set up by the former Labor government are not good enough.

The government has developed detailed forest plans that in every instance have been based on substantial community input. The plans protect forest and environmental values, enable timber supply commitments to be met and attempt to recognise those areas that are important to the commonwealth government and other bodies, and they are consistent with the provisions of the Flora and Fauna Guarantee Act. Harvesting principles have been established based on sustainable levels. Annual plans are to be published well in advance; plans for the individual logging of coupes have been developed; and a legislated code of forest practices, regional prescriptions and post-harvest audits has been established. This is not the stuff of wholesale destruction; there is no lack of understanding of the long-term needs of the forests. The initiatives taken by successive administrations show that they have had a real feeling for doing whatever is required to ensure the long-term interests of the forest.

The timber industry has always cooperated in all those initiatives. It would be wrong, unjust and unfair to say the timber industry has not played its part. I support the bill, although, like the industry, I have some reservations. I believe the report of the Land Conservation Council was a little too tough on the timber industry; but, like that industry, I am prepared to compromise. Rather than saying, 'We will support it in part but we will move amendments to extend the size of the national park', members of the Labor Party should support the bill and show confidence in the timber industry. They should not send any signal that the Labor Party is unsure, because that could generate the same sort of industry nervousness that was present during 10 years of Labor government. When Labor was in
power the timber industry never quite knew whether it had a future.

The message sent by the honourable member for Northcote is that if Labor ever again wins power the timber industry should be nervous about its future. Nevertheless the Labor Party has a chance to correct that impression. Maybe the honourable member for Northcote does not reflect the real feeling within his party. I hope that is so and that the opposition will reconsider its intention to move amendments during the committee stage to add to the size of the park. If not, it will send a clear signal to the timber industry that it will not have much of a future if Labor returns to power in Victoria.

Ms MARPLE (Altona) — We have just seen the member for Mornington in full flight, but he got many of his facts wrong. Under the previous Liberal government the timber industry was given one-year contracts. If the timber industry felt any anxiety, it was during the time of the former Liberal government. The Labor government brought security to the timber industry, working with it on the introduction of the timber industry strategy, which the government has continued with — and the same is true of the code of practice. The honourable member for Mornington got carried away because of his experience in the timber industry before being elected to this place.

We should examine what Victorians expect their government to do about our parks and our timber industry and what that means for tourism. Victorians have a special affinity for their parks. I am proud to have played my part in the extension of national parks and the development of the timber industry strategy and the code of practice under the Labor government. I saw first hand the changes that took place during the 10 years of Labor government, many of which continue under this government. Nevertheless, I am concerned about what the government is doing.

Victoria has a great asset in its forests. Anyone who looks at maps showing forest areas before and after European settlement shudders at the difference. Each generation does what it thinks is best with the timber and other resources it has available. Timber has been important to Victorians for shelter and for furniture. You only have to look around the chamber to see how important timber is and to appreciate the pleasure it gives. You have to be impressed not only by the atmosphere of solidarity timber creates but also by the skills of the craftsmen who constructed this building. The same is true of our homes: most of us would not want to do without timber for one reason or another. National parks have been a source of great joy to my family and to the families of other members. They are places where we can take our children. I took my children to national parks to teach them about the environment, and now they take their children to the parks. Some national parks are not timbered but in most cases they contain timbered areas that we as a community wanted to save.

I am well aware of the history of the timber industry, which has involved many families gathering and working in timber. Although we wish to see those families continue to produce the wonderful finished timber we use, that must be done in ways that are sustainable. That is why the Labor government introduced the timber industry strategy and worked with the Land Conservation Council, accepting a large number of its recommendations. There have been precedents for not accepting all the recommendations in a Land Conservation Council report.

In the past ministers and shadow ministers such as the Honourable Mark Birrell, Leader of the Government in another place, the current Minister for Health and the Honourable Joan Kirner, a former Premier, have recommended that changes be made; and during the committee stage the opposition will propose that the park be extended.

Recommendations should not be accepted blindly. Discussions should take place with those who work in the industry or manage our parks and waterways to achieve the right result — and that is what we are here for. It is not our job to simply accept recommendations, whether they come from bodies such as the Land Conservation Council or from parliamentary committees or any other reports. The government and opposition should take any recommendations on board, discuss them with people in the industry and others and come to the appropriate conclusion. That is how the opposition has formulated its park extension proposal.

The proposed park has two special features. First, it is based on catchment areas which are vital to maintaining Melbourne’s excellent water supply and which should be preserved for future generations. The flora and fauna must also be preserved and the park must be sufficiently large to ensure that that happens. The second special feature of the park is its closeness to Melbourne, which gives many people the ability to visit it.
The Land Conservation Council has been studying the area since May 1987. Its recommendations for a park are exciting because the park is so close to Melbourne. People who are keen on national parks are prepared to spend many hours travelling, often over bad roads, to visit well-managed wilderness areas that put them in close touch with nature. The park's closeness to Melbourne will give more people than usual the chance to visit a national park, many for the first time. I certainly hope that will happen.

The government's proposed new park is based on three protected water catchments and small linking areas. The opposition suggests that the size of the links be increased to encompass the Cement and Armstrong creeks. It is important to strengthen the links between the catchments, and the opposition's proposal is in line with the Australian Heritage Commission mapping of the area.

The inclusion of Cement Creek is supported by Melbourne Parks and Waterways. A letter of 8 February 1995 addressed to Mr R. Waterman of the Victorian National Parks Association from Melbourne Parks and Waterways states:

Melbourne Parks and Waterways supports the inclusion in the proposed national park of the balance of the Cement Creek catchment north of the aqueduct on the following grounds:

As indicated in your submission, the Cement Creek catchment is in an area of significant ecological values, recreation and tourism potential and provides an aesthetic backdrop to the Upper Yarra Valley.

Protection of the significant environmental values in this area would thus be consistent with legislative agreements proposed for other water supply catchments.

The letter goes on to state:

This will facilitate movement of wildlife and gene exchange within the park and will reduce the 'edge effect' which will have a substantial impact on the conservation values.

It is pleasing that Melbourne Parks and Waterways supports the opposition's proposal.

One of major reasons for the opposition's proposal is the desirability of linking the catchment areas to protect both the catchments and the flora and fauna. The proposal will not greatly reduce timber yields. Given the terrain, I doubt whether timber would be gathered there in any case, although it is not for me to make that judgment. The addition of the mountain ash area would enhance the park and add to the quality of the overall environment.

It is not easy for governments to balance the impacts of these proposals on employment and other areas. However, as is often pointed out by government members, we live in times of rapid change, especially technological change. We must look to increasing employment in our service industries rather than relying on industries such as timber gathering. The introduction of new technology means we can expect employment opportunities in industries such as the timber industry to decline.

Labor governments have always worked closely with timber industry communities. I remember visiting many timber industry areas and discussing with members of the local communities the effects that reducing access to the resource and the introduction of new technology would have on their futures. We must consider that. We must also consider the value adding and the way we can make the very best of the logs we take from forests. We are getting better at that and our knowledge and skill in choosing the trees we take is improving. With education more people will be employed in that area and perhaps other industries will develop.

We have always talked about the tourism industry. Although I think tourism is important, I do not put all my hopes in it or expect that it will be possible just to shift all the timber workers out of their industry and turn them into tourist workers. I know that is not likely to happen. These things evolve. Overall, education is vitally important not only for the workers but for our society to enable us to understand the needs of the various communities involved in the timber industry and the ever-developing tourism industry in our national parks.

It is extremely important for the government to be fully committed to resourcing the parks. It is vital to have the staff necessary to ensure that the parks are well cared for and that the timber industry has an independent government department to help and guide it in looking after the resource. We must have people who are well educated and well trained looking after the resources. There has been concern about government departments being cut back so much that they cannot look after national parks. I hope the minister is able to reassure the house that that will not be the case.
I hope the government will be happy to examine the direct and subsequent impact on employment of the bill. I am looking forward to the minister sharing that information with the house and explaining the government’s commitment. I understand the reduction in the sawlog resource will be very small, something like 1.8 per cent. The government will have to address the issues of value adding and marketing practices, which always need to be taken into account, but that small amount could easily be absorbed, bearing in mind the government’s overall commitment in that area.

I know the VNPA, the ACF and other conservation groups strongly support an extension of the park. Many members on this side of the house would have liked it to be extended even further than these amendments. However, the reality is that we have to arrive at a balance. The opposition believes the park should have been extended further to include the two catchment areas. I am sure some members on the government side of the house would also have liked such an extension and they, like opposition members, would have argued about it in their caucus. But we know the political reality of what is possible, and that has to be faced by both governments and oppositions.

I have no doubt the minister will assure us that the code of forest practices and the flora and fauna guarantee will be stringently applied. As I said earlier, there have been some problems with the flora and fauna guarantee and people have contacted me about the code, as well.

I am not saying that these are not simply things that happen from time to time — problems do result from just human error — but the government is beholden to ensure there is no reduction of resources or expertise or lack of government will to police the environmental sections of the timber industry strategy to ensure the park is well looked after.

In conclusion I reinforce the view that our forests and catchment areas are vital to this state, as are our national parks and our timber industry. They are all very important to Victoria’s economic viability and therefore need to be protected and looked after as they have been under the LCC and the various governments. As the honourable member for Northcote said, when creating new parks we need to assess whether they are economically viable and fit the criteria we look for in national parks and whether they are socially just for all involved. The opposition wants to ensure the two extra catchment areas are kept in the new Yarra Ranges National Park.

As I said before, I am pleased to have been associated with the former government in developing the timber industry strategy and the code of practice to ensure we have a sustainable industry.

I have been concerned about the management of forests. I know it has improved greatly and I am pleased that is the case. It is much better than in the years of my youth when I was riding horses through many areas in the north-east and saw the results of the clear felling right down to the creeks. I am pleased that has changed and that we would not see that now. But I am concerned about our starting to turn our forests into areas that feel like plantations — they have been so well managed over a large number of years that they do not have the feeling of wilderness areas. I understand we cannot keep everything like wilderness areas or even national parks, where human impact has to be managed, but we must keep in mind that the long-term management of our timber areas includes complementary flora and fauna.

I know many people within the department have that expertise, and as long as whichever government is in power has a will to ensure that that is what we will have, that is what we will have in our timber areas.

I am pleased that our timber gathering is much improved on what it was some 20 years ago. I am also very pleased that the government has accepted the LCC recommendations.

I recommend to the house and to members of the government that at the committee stage support be given to the opposition’s amendments, as I believe they are complementary to the LCC report and to what the minister has put before us.

I am pleased that we now have an extended park area that the people of Melbourne will be able to enjoy and benefit from into the future. I give support for the bill, and recommend the amendments to all.

Mr HONEYWOOD (Warrandyte) — I join the debate on the National Parks (Yarra Ranges and Other Amendments) Bill. In doing so I point out to all honourable members that, far from being a day of concern about the legislation before us, it should be a day of celebration because we are witnessing the creation of a new national park. It is unfortunate that...
some of the other speakers have not referred to the creation of the two new state parks also provided by the legislation and the addition of many hectares to a large number of parks throughout Victoria's world-standard parks system.

We should recognise in the debate the many additional areas of land right across the state which the legislation will provide for rather than limiting it to the one new national park. Nonetheless, we on both sides of the house should celebrate the creation of the new national park, which was created by a coalition government, as has been the case in the past with most of the parks that have been created in the history of national park creation.

When we look to the new national park we do so understanding — as the previous speaker, the honourable member for Altona, said in her speech — that a difficult balancing assessment process must be gone through before any parties in government can establish what a fitting area should be.

It is interesting to see the Labor Party here today purporting to be the experts in the field when it comes to drawing up boundaries. We know that there are various qualifications on the other side of the house in all sorts of interesting and multifarious areas, but until today I have not been able to establish that the Labor Party has cartographers or people with expertise in establishing sensitive national park boundaries. However, here we have it: the party has come into the chamber today with a sudden fountain of wisdom as to what a new national park boundary should be.

Given that both political parties in the state have traditionally supported the independent Land Conservation Council, it is interesting that that independent jury has been ignored today by the ALP, which has arbitrarily come up with amendments and additions to a national park.

It makes me wonder whether the ALP has dug up a couple of additional amendments just to grandstand and ensure that it can go to worthy groups such as the VNPA and say, 'We have fought a good fight and have tried to add a significant area to the new national park, but the rotten conservatives would not allow us to do it'.

When we look at what the ALP purports to be a large addition proposed in its two amendments, I am reliably informed it represents only in the vicinity of between 2000 and 5000 hectares. Keeping in mind that the VNPA was proposing a national park with additions to the proposed boundaries of some 147 383 hectares, you do not have to be too clever to work out that the ALP is just making some hollow noises for the sake of being able to go out to various lobby groups and say, 'We fought a good fight and we really put up a strong battle', and that it tried to do something. The fact that only two ALP members have been in the chamber for the entire debate is beside the point.

It is also interesting to note that in putting its amendments today the opposition thinks it will be taking only an additional 1 per cent from the forest industries. The figure of 1 per cent might mean nothing to some people, but to people whose livelihood depends on extracting the resource it is a significant amount, given that some years ago they were given guarantees — when the minister at the table, the Minister for Health, was shadow minister, and with which I am sure she would concur — that there would be no loss of timber resources for the timber industry from that area in return for the East Gippsland areas being put into national parks and treated as wilderness areas.

Mr Hamilton interjected.

Mr HONEYWOOD — It is interesting for the honourable member for Morwell to pipe into the debate here, because we see him keeping a very watchful eye on the two honourable members from his side of the house who are at the table. Why is that? Because we know that the honourable member for Morwell represents a very sensitive area when it comes to locking up forestry resources; therefore, we are not surprised that he is keeping his watchful eye on the members at the table, because we understand that he has been a bit of a mover and shaker in the debate in trying to ensure that the interests of APM Maryvale are looked after.

We put to the honourable member that his party is threatening that timber resource. If he is supporting his party today — and it would be interesting to hear from him about that — he is supporting the taking away of a resource from large employers in the area, and I should have thought that many of his constituents would not be very happy with his support for that addition. It will be very interesting to hear from the honourable member for Morwell about his total support, no doubt — in typical Labor Party fashion — for every clause of the bill.

In putting forward the government's position I must pay tribute to all the legitimate interest groups who
have played a key part in the government's determination of the legislation. In doing so I commend the work of the Victorian National Parks Association, which has some dedicated officers, including Mr Waterman, Mr Doug Humann and many others who have sacrificed and put in many months of work to establish the position on their side, which they were able to substantiate with many credible facts and figures, and put forward the argument that much larger areas should be established in the new national park.

Equally, I pay tribute to the hard work of VAFI, Timber Towns and other legitimate groups that have a strong concern about the security of the timber resource for their interests. As chairman of the coalition's environment legislation committee, it has not been an easy task for me to ensure that a balanced perspective is put forward today.

No doubt one can argue at length about the need for an increase in the size of the linkages between the various reserves in the park and no doubt those arguments could stand up to a degree of scrutiny. I have thoroughly inspected the area of the proposed national park. It is a difficult area in which to delineate boundaries. Therefore it is appropriate that we follow the advice of the independent adjudicator that has made recommendations on an independent basis for many of our wonderful world-standard national and state parks, namely the Land Conservation Council (LCC). The ALP does not have the qualifications to tell us in an arbitrary manner what additional areas should be included.

Some particular interest groups have made strong representations to the coalition, including the board of the Lake Mountain Ski Reserve. For many years it has had concerns regarding security. One of the arguments that has been put forward against the national park has been that it will lock up large areas. The VNPA has suggested that only 20 per cent will be open to the public for access. This is an important issue because we are talking about Melbourne's water catchments and therefore we cannot allow unlimited access by members of the public into this sensitive area for the quality and standard of our drinking water. It is so good that we are now exporting it, and if some contaminant were to enter that water supply, no matter how it occurs, not only would that be of concern to our population but also we would lose a potentially dynamic export market in the process.

Unfortunately the public will have limited access to the park, but it is good to reassure the Lake Mountain Ski Reserve that there will be better access and security of tenure for the reserve, and that will allow for more cross-country skiing. I am sure that many honourable members support the measure.

I also pay tribute to the hard work of the Friends of the Ada Tree group. Group members travelled many miles to talk to me about their concerns. We will seek to protect their interests in subsequent legislation after the officers of the department have had time to make a proper assessment of the potential boundaries, rather than doing the ALP thing and coming in here with half-cocked ideas about what it would like to add and subtract. A proper assessment will be made to allow for the Ada tree area. There is already a reserve around the tree and its environs, but if we are to make it a significant ecotourist attraction and protect that wonderful micro-environment it is important that we as a government act to change the boundaries after an independent assessment has been done. I pay tribute to that small group who, as the honourable member for Morwell said, have the interest of their local environment very much at heart.

A former Liberal government established the LCC many years ago and the Labor government supported it time and again. The coalition, in opposition, also supported that independent body's determination time and again, and it is difficult to depart from that process. We thought hard about the need to depart from that independent process, and we can only wonder about the motives of the ALP coming in here and saying for grandstanding purposes, 'We will add a couple of hundred hectares here and there and leave it at that. That way we can say we have maintained our green integrity over and above the conservatives'.

We should also note that legislation arising from LCC recommendations provides for the true protection of the widest possible range of environments within Victoria. In recent years we have seen the establishment of the Alpine National Park and the Mallee National Park and, together with the national parks already in existence, we have protected for future generations all of the different significant environmental systems and a variety of micro-environments across our great state.

We shall now look at the issue of the protection of the coast and of the rivers and streams. We on this side of the house hope we will have the support of the Labor Party in ensuring that a considered and responsible attitude is taken for the benefit of future generations to ensure that we protect these equally
important rivers, streams, water areas and coastal areas just as on the whole we have on a bipartisan basis protected our landlocked areas through the creation of national parks.

The bill goes an extra mile! It does not create only one new national park: it also creates two new state parks and a large number of reserves as well. Here is a coalition government which so often is portrayed in the media as being totally involved in economic management issues, but quietly but surely in the meantime we have gone about a number of significant social policy areas, including the measure before the house today.

Mr HAMILTON (Morwell) — I am pleased to contribute to the debate on this important bill. I shall put on the record the real concerns of a large number of my constituents. I have no problem standing in this house to represent the people who elected me as well as I can. Honourable members opposite would know that sometimes one gets rolled in the party room — that is the way it goes. The honourable member for Warrandyte may laugh; perhaps he has never been rolled. It must be nice to be on the winning faction all the time! I wonder where he stood on the Equal Opportunity Bill. That would have been an interesting debate to listen in to!

As previous speakers have said, the bill creates a new and important national park close to Melbourne. One of the important things about national parks is to have them in areas where easy access can be gained to them. Every honourable member realises this is an important feature of national parks and indeed, of the national park proposed in the bill.

The importance of protecting the water catchment area around Melbourne has been mentioned. I do not believe anyone in all Victoria would not realise the great importance of protecting water catchments. There has been some argument over the years — this is nothing new — but it is worth commenting that some of the catchments could be logged without detriment to them. That argument is not yet resolved despite the input from various experts. That debate will continue.

There is no doubt that what is commonly called the 1939 regrowth of the mountain ash in the Central Highlands is an important timber resource for the state. I do not believe there would be disagreement from either side of the house that the forest industry is most important to the state not only for its obvious and direct value to Victoria but also in philosophical terms. I get upset when I hear people say, 'Well, you ought to close up all of our forests and not allow a forest industry in this state'. It is a stupid argument.

That is philosophical cowardice. Everyone knows that one of the consequences of importing timbers is the desecration and vandalising of the forests of the exporting countries, which have no environmental or industry controls. Thousands and thousands of hectares of native forest in other countries are being destroyed because of bad forest practices. One thing we can be proud of is the development over the years of a good code of forest practice, known as the Victorian timber industry strategy.

Mr Perrin interjected.

Mr HAMILTON — It was a bipartisan exercise, and a great deal of the credit must go to the former Premier, Joan Kirner, who worked her way through it. I acknowledge the work done by a great number of people including David Williams, a trained forestry officer of the department, who made a valuable contribution to the strategy.

Mr Honeywood interjected.

Mr HAMILTON — We will get to that in a minute. I have never wimped it yet, and I will not wimp it today.

Mr Honeywood interjected.

The ACTING SPEAKER (Mr E. R. Smith) — Order! I advise the honourable member to direct his remarks through the Chair and to ignore the disorderly interjections coming from the other side.

Mr HAMILTON — Victoria's forest industry is important to Australia. When we accept imported timber and timber products, including paper pulp, we turn a blind eye to the desecration of overseas forests and condone practices that in this country would be considered unacceptable — and we should never do that. Not only are forests being desecrated but forest workers are being exploited.

We can be proud that through cooperation — and, I would argue, after some debate between the Australian timber workers union and members of the other forest unions — we have come up with an acceptable set of conditions for workers in the forest and paper mill industries. The rights of timber industry workers have been protected and, most importantly, safe working conditions have been implemented.
There is no doubt that the forest industry has had an unenviable reputation for being dangerous to work in. I grew up in the bush, and I know the Wombat Forest well. My father-in-law snigged logs in the Wombat Forest using a team of two draughthorses before bulldozers were even thought of, so I understand what goes on.

As a Parliament we should be supporting the timber industry, not putting it out of business — and that is where the debate comes in. There is a strong feeling among timber workers that every time a new national park is created to protect our forests the resource available to the industry is reduced — and I imagine the same is true of management, because there seems to be unanimity on this particular point. Governments as far back as Dick Hamer's, and I expect even some before his, made agreements with the forest industry on access to resources. But subsequent developers have said resource availability must be sustainable because there would be no sense in the forest industry putting itself out of business by chopping down all the trees. That would be absolute stupidity.

The cyclic logging of our forests has now been introduced. The forest industry may have 80-year or 120-year cycles. According to the recommendation of the LCC, 3.2 per cent of the resource will be removed, which is a relatively small quantity. Even that is objected to in principle by forest industry workers, who believe we are snipping away at the edges of what was once recognised as their sustainable resource and accordingly written into the timber industry strategy. I understand and appreciate that point of view.

Another 1.8 per cent of the resource will be removed if the government accepts the opposition's proposal. The arguments for and against that were debated long and hard in the party room. I will go on record as saying that I do not believe the amendments should go in. However, everyone knows parties make their own democratic decisions, which we are bound by. If that did not happen you could not run a government or an opposition.

In the interests of my constituency and the people who work at the Australian Paper mill at Maryvale I put the argument that a principle was being defiled because of the snipping-away effect. The real key to the argument is not whether the Cement and Armstrong creeks are included in the national park, because they will certainly not be logged in the short term. There is no need for access to those two areas in the short term. No-one disputes that they are environmentally valuable.

The key to the argument is the report on the reassessment of the timber resource within the state, which is currently being prepared. Based on all the reports I have read — this is a topic in which I take a great deal of interest — it seems the size of the resource has been somewhat understated. Taking size and the rate of growth into account, the number of trees available for logging means there will end up being no reduction at all in the sustainable resource. Real resource-producing sustainable yields will be available after 1997; and as I understand the bill, no changes will be legislated until 2001. No-one would benefit by failing to put on the record the concerns of the people working in the timber industry.

I will comment briefly on the Ada tree. I imagine other members of Parliament have also received representation from a group of people who call themselves the friends of the Ada tree. Unless we find some evidence to the contrary, we can be sure that the Ada tree is the oldest and largest tree in all of Victoria, if not beyond the state. It is simply magnificent. Indeed the Ada tree was found by accident, as it were, alongside the Ada River. People said, 'This is something that is too precious to be lost or forgotten'. A deal of negotiation has been undertaken, supported by the Department of Conservation and Natural Resources and its predecessors, to ensure this precious part of our heritage is preserved and retained. More work is needed, and I have made representations to the minister on the matter. If it is going to be a tourist attraction, as it should be given that it is one of the oldest trees in the world — there is no doubt that it could be a magnificent tourist attraction — we must protect it from people.

We have a dreadful record of destroying our environment. Modern man in the general sense of that term has done a lot of damage, so protection is needed. Footwalks must be put around the base of the tree so that it can be protected from the effects of visitors who want to see and enjoy it and be part of the tree, as it were — that is, commune with it — because it is almost spiritual. The footwalks will ensure the roots are not trampled and the tree is not killed. That must be done because the Ada tree is an extremely valuable natural resource. A project to protect the tree will have both bipartisan support in this house and — because in the overall scheme of things we are insignificant, much as some people will find that hard to accept — the support of all
Victorians. I include in that the people involved in forestry. There is no doubt that the beauty of the tree is recognised by the foresters, the timber workers and the people who harvest the forests. There will be a deal of support for any project to protect the tree. There is a general agreement in the community that this jewel in our forest should be protected with a reservation of some sort around it and, as I said, with the physical protection of footwalks around the base of its trunk. These things need to be put on the record. I assure the house I will continue to remind the minister that some action must be taken to protect the tree.

The only other thing I want to say about the bill is that at various times concerns have been expressed about how we manage our timber resource and how we ensure that flora, fauna and habitat are protected. We should all be proud in this state that we have, as well as the national parks acts, a number of acts that have to be read together. As I said, there is the Flora and Fauna Guarantee Act as well as a number of environment protection acts and codes. I recall the bipartisan support given by the Forestry Commission to undertake any examination, to talk with the Timber Industry and to meet with all the players in the game. The study has been going on since 1987, so it seems to have been going on forever and a day. Every time you read the local papers in our part of the world you see the central highlands mentioned. The government has by and large accepted the recommendations of the LCC and the opposition will move a couple of small amendments. As I said, those things need to be taken in balance. Generally, members on both sides of the house understand the importance of the legislation and understand the importance of balancing the needs of everybody who has an interest in the area. I would argue that that includes every person in Victoria.

The ACTING SPEAKER (Mr E. R. Smith) — Order! Because this bill needs to be passed by an absolute majority, I ask the Clerk to ring the bells.

Bells rung.

Required number of members having assembled in chamber:

Motion agreed to by absolute majority.

Read second time.

Committed.

Committee

Clause 1

Mr THOMSON (Pascoe Vale) — The bill amends the National Parks Act to:

(i) establish Yarra Ranges National Park —

which is the most important purpose, and —

(ii) provide for the inclusion of certain water supply catchment areas in Kinglake National Park and Yarra Ranges National Park.

The opposition welcomes the creation of the Yarra Ranges National Park but expresses disappointment at the modest recommendations made by the Land Conservation Council that have been accepted by the government. It is my impression that if a Labor government had been in power the Land Conservation Council would have made more substantial recommendations.

Mr Coleman interjected.

Mr THOMSON — The minister says it is an unbiased and unfettered body — and that is certainly its intention. Any impartial observer who compares these LCC recommendations with the recommendations the council made during the decade Labor was in office would conclude that...
these are more modest and involve only minor additions to the Melbourne water catchment areas that are to become part of the Yarra Ranges National Park.

I believe the recommendations are too modest. That is why I support the opposition's proposal to increase the size of the park by adding the Cement and Armstrong Creek areas. That addition would ensure a more satisfactory linking of the existing water catchment areas and form a more substantial national park. It would also better meet the conservation objectives of the bill.

I am disappointed that the government has moved slowly on the creation of national parks. That can be contrasted with the first two and a half years of the previous government, which saw the establishment of the magnificent Grampians National Park and a lot of progress in creating national parks in general, as well as the implementation of important measures to protect Victoria's heritage.

Although some concern has been expressed about the impact of the recommendations on the timber industry, it is certainly my impression and the impression of many other members that the areas available for timber production are substantial and adequate enough to support the industry. There is a feeling that timber production levels have been underestimated and that the long-term impact of the national park on timber production will be minimal.

Forest management has been a vexed question in Victoria and throughout Australia. On the one hand, there is the natural desire to retain the timber industry so that it meets our timber needs, maintains jobs and so on; on the other hand, Australia is one of the few countries in the world that has a substantial amount of its original vegetation, so it is argued we have an obligation to protect that heritage.

Since European settlement more than 80 per cent of the original forest cover of this state has been cleared. That means all Victorians have a particular obligation to do what they can to protect what is left. Areas in the central highlands are important habitats for a number of rare and significant species. The areas set aside in the national park will go some way towards providing protection for those species.

The opposition proposes that the modest recommendations of the Land Conservation Council be beefed up by the addition of the Cement and Armstrong Creek areas. Our position is supported by Melbourne Parks and Waterways, which told the LCC it believed the inclusion of those areas would help the park. Cement Creek, which consists of 1376 hectares, and Armstrong Creek, which consists of 1876 hectares, could be added to the park without damaging the timber industry.

The Cement Creek catchment forms a scenic backdrop to Warburton. The National Parks Association has expressed the view that logging in the area would be totally inappropriate and would adversely affect tourism. It is currently a closed catchment with no public access being allowed. It incorporates a site of high significance for old and high-quality intact vegetation and rainforest. In addition, the Armstrong catchment also contains a pure rainforest stand as well as a large area of mature mountain ash forest. It is therefore an important part of the central highlands area.

The other part of the LCC recommendations about which I express concern relates to the Lake Mountain alpine resort. Lake Mountain has substantial flora and fauna value and was included in the LCC's draft proposals for the national park. In between writing its draft and final proposals the Land Conservation Council changed its mind on whether Lake Mountain should be under the management of the Alpine Resorts Commission. I am concerned about the management of the area by the Alpine Resorts Commission, given its significant flora and fauna values. I believe the LCC's draft recommendations were superior. The areas the opposition proposes to have included in the Central Highlands National Park would improve its quality. As a result, we strongly support the government's examining the proposal.

There are always debates on the basis on which Land Conservation Council recommendations are made, given the intention of the LCC legislation. Having an independent body examine these matters has a great deal of merit. I express my disappointment and that of the community at the extremely modest nature of the recommendations made by the Land Conservation Council, which has led to the opposition's re-examining the recommendations and proposing additions.

Mr CARLI (Coburg) — I welcome the amendments to the National Parks Act to create the Yarra Ranges National Park. The opposition wishes to add Cement and Armstrong creeks to the national park because it believes they are important to the water catchment area and to the integrity of the new park, which is close to the city.
The recommendations made by the LCC are modest. The two areas we propose to have included would provide more protection for the park and ensure that the water catchment areas are maintained, therefore preserving our water supply. The question of the balance between jobs and conservation is of profound concern to the Labor Party. The opposition wishes to defend conservation while also preserving jobs.

The Labor Party’s 1986 timber industry strategy was an attempt to ensure that the industry was protected and aimed to achieve sustainable yields, greater investment, lower levels of industrial conflict and adherence to health and safety obligations. That strategy has resulted in a more viable and sustainable industry in Victoria than exists in other states.

The proposals of the Land Conservation Council are modest and attempt to balance jobs with conservation needs. The opposition believes they are too modest. Under the proposal 3.2 per cent of available sawlogs will be lost. If the Cement and Armstrong creeks areas were included approximately 5 per cent of sawlogs would be lost. The inclusion of those areas still results in a modest proposal, and although not many green organisations are happy with it the opposition believes it meets the need to balance the interests of the timber industry with conservation requirements.

The opposition has had discussions with conservation groups and trade unions in trying to adopt a responsible position, and the inclusion of the two extra areas is a modest improvement. The opposition is aware that the timber industry has invested more than $60 million in the Central Highlands region in its moves to higher value adding and adoption of the sorts of proposals and strategies that were contained in the 1986 timber industry strategy. In that sense it is important to ensure that sustainable yields and resource security for the timber industry are maintained in the Central Highlands.

The timber industry has done its bit by making significant investments, yet many in the industry have become defensive because of what they see as a drip effect taking away pieces of the resource here and there. The industry's criticisms of the proposal to increase the park by adding the Cement and Armstrong creeks areas is a defensive strategy and the opposition believes it is feasible to maintain jobs and create valued adding and a sustainable industry even with the inclusion of those areas. Those areas would be important in maintaining the integrity of the water catchment and would provide linkages between the various parts of the park.

The opposition clearly welcomes the creation of a new park close to the city and believes the LCC has underestimated the economic worth of such a park. It will be an important tourism and recreational resource. The overall proposal is extremely modest and a few other areas could also have been added. However, when considered in the context of the recommendations of the LCC and in the context of providing a balance between jobs and the environment the park is a welcome and worthy initiative. The opposition believes the inclusion of the two additional areas it proposes is responsible for the reasons I have mentioned and should be considered by the government.

Mr COLEMAN (Minister for Natural Resources) — I thank the honourable members for Northcote, Mornington, Altona, Warrandyte, Morwell, Pascoe Vale and Coburg for their contributions to the debate. Anyone listening to the debate may have gained the impression we were dealing with a forests bill as opposed to a national parks bill. The fact that every speaker referred to forest activities demonstrates the importance of the 1993 regrowth mountain ash resource to the timber industry and it was obviously part of the study area on which the LCC formed its views.

The new park will be significant. All speakers recognised its tourism potential and its value in the longer term just as a set of lungs for Melbourne. The area is popular and close to Melbourne.

Establishing criteria for the park involved different considerations from those that apply to the East Gippsland parks, which are some distance from population centres. The much-admired pristine areas we are dealing with form the catchment for Melbourne’s water supply and will remain under the current style of management: that is, they will be managed for their water resources to ensure Melbourne continues to enjoy a water supply that requires only light treatment. A very different situation applies in other major centres around the
world. The proposal will ensure that the timber industry has access to a legislated volume of timber resource without causing significant disturbance. I am certain people who normally use the area now and consider it to present an opportunity for recreation will in the longer term recognise the significance of creating the park.

It is a major achievement that will result in some recognition for the Land Conservation Council, which dealt with this area and made a recommendation for which there is obviously broad support and which the government has seen fit to adopt virtually without amendment. I am sure that will be discussed further when we deal with the amendments. Clearly the LCC has had a reasonably long period to obtain the sort of information on which the opposition is now seeking to expand the park boundary. The LCC has gone through the process, has considered each area and recognised the interest of Melbourne Parks and Waterways in these two pieces of land. In the long term I am sure things will operate in the way recommended by the LCC.

As I said, the new park will be a major contribution to Victoria’s park system. Most people want us to maintain a representative world-class park system. During the period of the initial investigation it was recommended that the park be called Ash Ranges rather than Yarra Ranges. The area has been well reviewed over a long period by a range of organisations. It was significantly altered by the 1939 fires and the regrowth ash was really the focal point of the original investigation. The park will now be called the Yarra Ranges National Park because it is clearly associated with the catchments there which are so vital to Melbourne’s water quality.

I thank the members who have contributed to the debate. A number of issues were raised which I am sure we will all take into consideration. I was most concerned at the comment made by the honourable member for Pascoe Vale that called into question the independence of the LCC. He said that if Labor had been in government the recommendation from the LCC would have been significantly different. That is an unfortunate statement given the outstanding status the LCC has enjoyed as a land assessment agency not only in Victoria but throughout Australia. The government was confident in picking up the council’s recommendations and putting them into the bill now before the house. The council’s work has been well done, well recognised and well canvassed, and it recommended well.

Clause agreed to; clauses 2 to 6 agreed to.

Clause 7

Mr COLEMAN (Minister for Natural Resources) — I move:

1. Clause 7, line 14, omit “32L” and insert “32N”.

Amendment agreed to; amended clause agreed to; clauses 8 to 16 agreed to.

Clause 17

Mr SHEEHAN (Northcote) — I move:


As was clear from contributions to the second-reading debate there is widespread support for the park. It is best described as a modest proposal. It is necessary, but the LCC could not have recommended much less. Without making too great an issue of it, I suspect the LCC was a little more sensitive to the views of industry this time around than it has been in previous considerations of park claims because hardly anything outside the existing restricted access areas has been included.

As I said, it is a minimal proposal. That is why the opposition is moving for the inclusion of the two areas of Cement Creek and Armstrong Creek. The opposition believes their inclusion would add to the integrity of the park and the failure to include them would mean the omission of areas of high conservation value and weaken the linkages between the pre-existing protected areas.

Furthermore, our proposal does not greatly affect the resource available to the timber industry. The maps for Cement Creek and Armstrong Creek show they were formally classified as restricted access areas, so it is highly unlikely that they will be logged anyway. The reality of the forest management plans, the flora and fauna guarantee and the implications of the code of forest practices mean that those two areas are not likely to be logged because, although they are part of the estimation of the overall resource, as the time came to log them not only would there be significant public pressure to prevent logging but alternative resources would be found from other growth areas.

Omitting those two areas from the proposal considerably weakens the integrity of the park and does not add to the resource base because the
Cement Creek and Armstrong Creek areas are highly unlikely ever to be logged. It is essentially a bit of a con job to say to the industry that it has those areas because the code of forest practices and the flora and fauna guarantee would not allow logging there. Also, I am not sure the industry would want to have a fight over them because the more it fights over areas like those the more it weakens its claim to be environmentally responsible.

The opposition urges the inclusion of those two areas because their high conservation value will add to the integrity of the park and improve the linkages between the pre-existing restricted access areas of the water catchments.

Mr COLEMAN (Minister for Natural Resources) — The inclusion of the lower parts of the two catchments for which the opposition argues was considered by the Land Conservation Council in the period between the issue of the proposed recommendations and the making of the final recommendations. Again I pick up some comments made by the honourable member for Pascoe Vale, who mentioned the changes that occurred at Lake Mountain and the inclusion of the alpine resorts area with some boundary changes and recognised some of the consultation that occurred. Also in that instance it recommended that there be a jointly managed area in the national park that was the responsibility of both the national parks and the Alpine Resorts Commission.

In the area proposed by the opposition obviously the same consideration occurred. Although the intent of the opposition is recognised, the fact is that the LCC recommendations have been closely followed in the legislation. In this instance turning away from what was recommended in such a sensitive area to something that is perceived as necessary by a group of people who have not had the same opportunity as the Land Conservation Council to carry out the examination is perhaps not the best outcome. On that basis we do not accept the amendment.

Amendment negatived; clause agreed to; clauses 18 and 19 agreed to.

Clause 20

Mr COLEMAN (Minister for Natural Resources) — I move:

2. Clause 20, page 18, line 2, omit “Country Roads Board” and insert “Road Construction Authority”.

Amendment agreed to; amended clause agreed to; clauses 21 to 24 agreed to.

Clause 25

Mr COLEMAN (Minister for Natural Resources) — I move:

3. Clause 25, line 10, omit “in the plan” and insert “on the plans”.

4. Clause 25, page 22, line 2, after “dedication” insert “or supposed dedication or”.

Amendments agreed to; amended clause agreed to; clauses 26 to 32 agreed to.

Clause 33

Mr COLEMAN (Minister for Natural Resources) — I move:

5. Clause 33, line 19, omit “Victorian” and insert “Victoria”.

Amendment agreed to; amended clause agreed to; clauses 34 to 39 agreed to.

Clause 40

Mr COLEMAN (Minister for Natural Resources) — I move:

6. Clause 40, line 7, omit “of the Principal Act”.

Amendment agreed to; amended clause agreed to; clauses 41 to 48 agreed to; schedules 1 to 4 agreed to.

Reported to house with amendments.

Third reading

The SPEAKER — Order! As the third reading of this bill is required to be passed by an absolute majority of the house, I ask the Clerk to ring the bells.

Bells rung.

Required number of members having assembled in chamber.

Motion agreed to by absolute majority.

Read third time.

Remaining stages

Passed remaining stages.
HEALTH SERVICES (METROPOLITAN HOSPITALS) BILL

The SPEAKER — Order! I advise the house that as the required statement of intent was made pursuant to section 85(5)(c) of the Constitution Act 1975, I am of the opinion that the second reading of this bill needs to be carried by an absolute majority of the house.

Government amendments circulated by
Mrs TEHAN (Minister for Health) pursuant to sessional orders.

Second reading

Debate resumed from 9 May; motion of Mrs TEHAN (Minister for Health).

Mr THWAITES (Albert Park) — The purposes of the bill are set out, as usual, in clause 1. They simply state that the purposes of the bill are to provide for the aggregation of certain hospitals and to adopt Medicare principles; but it might just as well have been added that another purpose is to take the heat off the minister. The real purpose behind the bill is to act as a smokescreen to divert attention from the crisis in our hospitals and in particular the difficulties that patients in public hospitals are facing right now in trying to obtain services.

It should not be forgotten that late last year we had an extraordinary situation where everyone in the health industry was outraged by the performance of the government and particularly by the way the minister was handling her portfolio. No doubt most members recall the almost daily headlines in the newspapers about the crisis in our hospitals. There were letters to the editor from leading doctors, leading medical professors and hospital administrators, who were pointing to the serious service difficulties that patients faced in hospitals. The letters to the editor included a letter from leading health experts Professor Johnston, Professor Larkins and Professor Martin, who on 18 November 1994 stated:

As heads of the university departments of medicine in three clinical schools of the University of Melbourne, we must express our concern at the serious damage being done to the teaching hospitals by the budget reductions imposed on them.

The budget reductions were imposed by the health minister. They made it extraordinarily difficult, if not impossible, for hospitals to provide the standard of care Victorians have come to expect. The letter continues:

The reduced numbers of beds, savage staff cuts, inevitable reduction in outpatient services and the changes in nature of pathology services all herald serious assaults on these institutions that have served the state well and that have been recognised nationally and internationally for their excellence.

They were comments made not by the opposition or by unions but by three of Victoria’s leading health professors. Those comments should have been noted by the government and the minister, but instead of addressing the problems referred to by the professors the government came up with the political scam of setting up a massive amalgamation of hospitals to divert attention from what is happening in hospitals. So people are now concerned about who will lose their jobs, which CEO will get the next job and which hospitals will be closed down.

To some degree the legislation has had an effect because the CEOs are now too scared to speak out about the problems in their hospitals in the way they did last year. Leading CEOs, doctors and former presidents of hospital boards raised their concerns last year. Dr John King, the Chairman of the Committee of Chairmen of Senior Medical Staffs of Major Hospitals, said:

The turmoil in the major public hospitals and, particularly, in the large teaching hospitals in Victoria in the past two months has occurred because of a failure to maintain the throughput pool at a time of ongoing severe budget cuts.

Last year the government realised it had made a mess of its forward financial planning, but instead of giving hospitals a reasonable ability to plan for the future the government changed its policy in the middle of the financial year. If there is one indication of bad management above all else it is radically changing your policy in the middle of the year, but that was what the minister and the government did. The government told the hospitals at the beginning of the last financial year that they would be paid for treating more patients and that they would get bonus funding for treating those extra patients. The hospitals treated the patients, but in the middle of the financial year the government suddenly made a 180-degree turn and told the hospitals that it would no longer pay for the treatments. The hospitals warned the minister that that would lead to a
massive blow-out in waiting lists, and that is exactly what has occurred.

Monash Medical Centre wrote to the department and said the capping of the bonus pool and continuing massive cuts would lead to a blow-out in waiting lists. Unfortunately that has occurred. The waiting list at Monash Medical Centre, one of our most important medical institutions, has grown massively during the past six months. It now has more than 3500 patients waiting for treatment, but a year ago it had 2262 patients on its waiting list. That means an additional 1000 patients are now stranded on the minister’s hospital queue. The minister made a great deal of the issue of waiting lists. She nods her head. This was a big issue that she was going to solve, but she has made an absolute mess of it.

Leading health providers say that standards of care have declined. The minister said that the one issue she would fix was the waiting lists, but she has blown that! When the minister came into office the waiting lists were not as long as they are now, but this minister is trying every device she can to force hospitals to artificially reduce their waiting lists by reclassifying patients. If they do not comply they will not get any money. That is the way the government works. It has a gun at their heads and if they do not do what they are told they will lose their funding or people will lose their jobs.

We have seen the same approach taken by the minister when board members have not toed the line. They have not been reappointed. It is not just city or Labor people: in Mildura a board member made a comment that was somewhat critical of the government’s funding, and he was not reappointed to the board. It is a story that is repeated over and over again.

At Christmastime the minister lost control of her portfolio when the Premier took it over. This bill implements the recommendations of the Metropolitan Hospitals Planning Board.

Mrs Tehan — On the bill!

Mr Thwaites — I will talk about who the health board is answerable to. It appears it is not answerable to the minister. She is not the real health minister, because the real health minister is the Premier. When you ask the Minister for Health for information under FOI about how much these people on the health board are being paid, the response is, ‘We don't have any documents. We don't know what they are paid. We have no idea’.

Presumably the health minister has no real say in how much these people are paid because they are not accountable to her. They are accountable to the real health minister!

They are accountable to the Premier, who had to give up his holiday to fix up the problems in the hospitals caused by the Minister for Health. The minister disappeared — no one knew where she was! There were articles in the newspapers wondering whether she had resigned. People asked, ‘Is she still the minister? Where is she?’ The Premier made flying visits to hospitals. He not only visited the hospitals but conducted meetings with the doctors, the nurses and the unions. This minister was left like a shag on a rock and had no say in what was going on. The bill implements the recommendations of a hospitals planning board that is accountable not to the Minister for Health but to the real health minister, the Premier. It is unsatisfactory that the Premier is not here to contribute to the debate, because he seems to be pulling the strings.

Another unfortunate incident occurred late last year. Not only was the Premier undermining the Minister for Health by publicly stabbing her in the back, but her own departmental secretary was wheeling away, saying that he was doing a good job, that he was a good mate of the Premier’s and that when the Premier was health minister while the minister was away he had had one of the most exciting times of his life! He has done his best to wheedle away, undermining the reputation of the Minister for Health. They used to get on well but now he is putting the knife in. The minister is on her own. I feel some compassion for her because she has been left without any real advisers.

The board that produced the report on which the bill is based is on the Premier's side; the head of the department is doing his own thing and fighting his own bureaucratic battles; and Elizabeth Proust has been kicked upstairs into the Premier's office.

I do not know whether Ms Proust was chosen by the Premier, the head of the department or the minister — if she had any say in it at all. But at the time of her appointment the opposition raised concerns that the Chair of the Metropolitan Hospitals Planning Board, which would produce the very report on which the future of our public hospitals would be based, and which would determine the role of private sector capital and private sector infrastructure in the public hospital system, was also a director of Australia’s leading
private hospital operator. If you cannot see a conflict of interest there, where could you see a conflict? The editorialists saw a conflict; the cartoonists saw a conflict; and even Neil Mitchell saw a conflict. But the government did not.

It may not be the minister’s fault, because the appointment may not have been hers to make. It may have been made entirely by the Premier, who seems to be paying those people’s bills. That appointment was not only inappropriate but sent the wrong message to the community. It sent the message that the government could not distinguish between private and public interests. A director of a major private hospital operator had the power to decide what would happen in the public system.

Honourable members interjecting.

Mr THWAITES — Health Care of Australia, the company that Ms Proust was a director of, has as one of its main growth policies the provision of public health care. That company has opened Australia’s first privatised hospital in Port Macquarie. It has given advice on a number of other private-public developments. One of the directors of that company was running the entire Victorian system, determining where the dollars would be spent, what the priorities were and, presumably, which private companies would be the beneficiaries.

Mrs Tehan — Say it outside the house.

Mr THWAITES — I will — and I have, repeatedly. I have said publicly that Ms Proust had a blatant conflict of interest. I have said it again and again! Oddly enough, everyone has agreed with me — everyone, that is, except the government! Senior doctors have said to me, ‘Look, we are not your way but we can’t believe this appointment!’ They could not believe the government would appoint someone with such a blatant conflict of interest. The question before us — —

Dr Naphthine interjected.

The SPEAKER — Order! The honourable member for Portland is out of order. Other members are interjecting out of their places. I am not naming anyone in particular, but I ask the house to come to order.

Mr THWAITES — The question we have to ask is what benefits Mayne Nickless will get from the whole process. Will Mayne Nickless hospitals benefit financially from the various service closures and rationalisations that will follow the implementation of the report? Already we know the company has four or five hospitals around Melbourne that could benefit from any closures of or service reductions in our public hospitals.

There is no doubt that the government is on about closures of services. Late last year an internal document that was leaked from the health department foreshadowed the closure of six Melbourne hospitals. When that hit the front pages of the press the government went all out to deny it. The member for Sandringham said his hospital would be closed only over his dead body. The honourable member for Mordialloc was a bit smarter — or perhaps a bit less green. He said he would not kill himself if his hospital closed, he would kill the minister! The opposition welcomes both those suggestions.

Following those statements the minister went down to Sandringham and Mordialloc and guaranteed the future of the hospitals. The matter received appropriate press coverage, which was a good thing. Unfortunately once the real health minister, the Premier, took over and got his sidekick Ms Proust to run the system and publish the report, the minister had to withdraw her promises. People in Mordialloc and Sandringham face uncertain futures. They do not know what will happen to their hospitals. They cannot trust the word of this government. One minute they are promised their hospitals will be okay, the next minute they are told, ‘Sorry, it is all up to the unelected Metropolitan Hospitals Planning Board to decide’. They were told it was all up to a board chaired by someone who was also a director of one of Australia’s leading private health companies, which owned a hospital — Linacre Private Hospital — just down the road from both the Mordialloc and Sandringham hospitals. If the government closes or radically reduces hospital services at Mordialloc or Sandringham, the Mayne Nickless hospital, which is run by Health Care of Australia, will benefit. Make no mistake, the six hospitals referred to in the leaked internal government document are now under threat of closure.

The words used in the document are not always clear. The report is full of euphemisms, words like ‘network’ and ‘customer’ and references like ‘better customer orientation’. You are not allowed to call people ‘patients’; people are ‘customers’ because health care is a business; you buy and sell; people are on a production line; you get more money for leaving the hospital! The hospital gets a dollar as
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each patient leaves the place! Now the health care system is based on how quickly people can leave, how fast they can be pushed through. If they go through too quickly and become sicker, that does not matter. What matters is how many people can be pushed through the system, even without getting proper care. The report is full of euphemisms. It tries to cover up the real agenda of the government, the real agenda of the real health minister, the Premier, which is to close more hospitals and further cut health services.

A further example of this is that around the traps members of the Metropolitan Hospitals Planning Board and others are saying, 'We may not be amalgamating the hospitals. It is just a “network”,' which is a softer word than 'amalgamation'. The bill makes it very clear that a massive amalgamation of hospitals is proposed. The bill makes it clear that the existing boards will be sacked and replaced by new boards that will have full responsibility to manage the hospitals in just the same way as the current boards. It is a bill about amalgamations. A new CEO will be appointed to each of these megaboards. We are talking about boards of hospitals covering large geographic areas as well as treating massive numbers of patients and having huge numbers of employees.

I take one example, the eastern network, which will include the hospital in the electorate of the honourable member for Monbulk, the Angliss Hospital.

Mr McArthur — An excellent hospital!

Mr THWAITES — And a hospital under huge threat by your government!

Mr McArthur interjected.

Mr THWAITES — I will come back to the particulars of the Angliss Hospital, since the member for Monbulk has raised them. The point I was making was about the massive size of the network. It will cover areas from Healesville all the way down through the eastern suburbs, including the Maroondah Hospital, the Angliss Hospital and Box Hill Hospital, to the Alfred Hospital. It seems even the Alfred Hospital, which I would have thought from looking at my Metways is basically in the south of Melbourne, is to be included in the mega-amalgamation of hospitals in the eastern network.

Imagine the community representation that will be obtained in the running of that merged and amalgamated superboard! This bill has a somewhat ironic provision: there is to be an advisory committee to the board. One community advisory committee for a board that covers hospitals from Healesville to Prahran! How is anyone going to give any real community input to a board of that size and such a mega-amalgamation of hospitals? Community involvement in our hospitals is at risk. In fact it will virtually come to an end once this bill becomes law.

The bill requires that the new board be set up comprising people with various qualifications. What are those qualifications? Those of lawyers or accountants.

Mr Mildenhall interjected.

Mr THWAITES — As the honourable member for Footscray says, the other real qualification is that they be cronies.

Mr Mildenhall — Usually with conflicts of interest!

Mr THWAITES — And with conflicts of interest. That has been the practice of this government: to appoint its cronies to all boards. This minister is no exception. She has sacked people; she has appointed her mates. They cannot fill the places on some boards because of the way boards have been stacked by the minister.

The honourable member for Monbulk raised the case of the Angliss Hospital — —

Mr McArthur — No I didn’t; you did!

Mr THWAITES — He said how well it was doing. The Angliss Hospital is not doing particularly well because of the massive budget cuts the government has imposed on it. That hospital was forced to close a whole ward, and the result is that the waiting lists for his constituents have gone through the roof!

Mr McArthur interjected.

Mr THWAITES — You talk about when you came into government — —

The SPEAKER — Order! I will call the honourable member for Monbulk if he seeks the call
later in the debate. Until that time I ask him to remain silent.

Mr THWAITES — When this member for Monbulk was elected the waiting lists at the Angliss Hospital were about 50 per cent shorter than they are now.

Mr McArthur — Get your figures right!

Mrs Tehan — Flexible with the facts.

Mr THWAITES — There were about 370, and now there are about 590, so on my maths that is 220 extra patients, which makes it more than 50 per cent. My maths may not be good but the substance of my argument is dead accurate. When this government came to power, the waiting lists at the Angliss Hospital were a lot shorter than they are today. The minister shakes her head. That is the fact and she cannot deny it. There were some 200 fewer people on the waiting lists of the Angliss Hospital than there are today. That is because this government has slashed hospital budgets. It has taken millions of dollars from hospital budgets. The government told the Angliss Hospital, ‘You can get by if you treat more patients’ and then the government changed its mind.

Mr Bracks interjected.

Mr THWAITES — I have just been advised the increase in the number of people on the Angliss Hospital waiting lists is 60 per cent! The honourable member for Monbulk is seen by his constituents as someone who does not stick up for Sandringham, who has battled for his hospital to a degree — although he has been ignored. This member does not stick up for his hospital. He says it is going wonderfully. The fact is that the 591 people who are on the waiting lists at the Angliss Hospital today would not say the hospital is going wonderfully.

Mr McArthur interjected.

Mr THWAITES — More patients are being treated. You are in a growth area; you need to treat more patients!

Mr McArthur interjected.

Mr THWAITES — The member for Monbulk says he is not in a growth area, so they do not need to treat more patients. Of course they need to treat more patients, because the demand for treatment has increased. You have a growing population, and what do you do? The answer to that is not to slash the budget and close wards. The answer is to open more beds. But the government’s answer here, as it is with everything, is to cut and slash and close and destroy services. That is what it has done. If you go along to that hospital now you will find a whole ward of empty beds.

Honourable members interjecting.

The SPEAKER — Order! I have asked several honourable members to stop their interjections. Interjections are disorderly. I will call the minister to close the debate in due course. If she wishes to refute what the honourable member is saying, she will have the opportunity. I ask the honourable members for Malvern and Monbulk to remain silent. That goes for the honourable member for Footscray also. I am pleased to see that the honourable member for Altona is back in her place.

Mr THWAITES — The member for Monbulk was claiming that his hospital is not in a growth area. The Angliss Hospital is in an area where there is a growing demand for health services. The answer to the demand is not a further slashing of services; it is to provide the services. The honourable member apparently does not care, nor do other members in the eastern suburbs, about the health of constituents. The Angliss Hospital board has not supported the report. The board did not say, ‘We want to be in this massive amalgamation of hospitals’. The board opposed it because it knows that if there is massive amalgamation — if the bill is passed and the minister merges all the hospitals — the governance of the Angliss Hospital will shift from the local community to the inner city. It will go inwards to a bunch of cronies somewhere in Collins Street, to the 25th floor somewhere, to someone who has no real understanding of or concern about the health of the citizens in Monbulk and the surrounding electorates.

The same applies to the Maroondah Hospital, which has opposed massive amalgamation. That hospital will be swallowed up in a large amalgamation of hospitals and the result will be that the citizens of Maroondah will miss out on the health care they require. Certainly the board of directors and even the chief executive officer, despite the threats, are prepared to say that they do not want to be swallowed up in this huge amalgamation. As one board member said, ‘Change is inevitable’. They acknowledge that, but what annoys them is that the hospital will lose out by being swallowed up in a
Huge amalgamation — as a board member said, 'We will be swallowed up by an inefficient dinosaur' — all in the name of restructuring public health services.

The Maroondah Hospital board met with local members. I understand it was not a satisfactory meeting because the local members walked out midway through the meeting, which caused a great deal of consternation among board members because it showed the contempt of the local members for their hospital. The hospital was built up over many years by the community of Maroondah. The local people set it up and put money into it, and now the government is telling them, 'We don't need you any more. You are being ditched'. Maroondah Hospital employs some 1400 people and is the largest employer in the region. It is a significant institution in the outer east, but the government is prepared to let it, as the board member said, be swallowed up by an inefficient dinosaur. The board members have been sold down the drain by local members.

Board members also met with representatives of the Metropolitan Hospitals Planning Board, and the comment made to me was, 'We only hope they were listening because that is a courtesy and a damn sight more than we got from our state Liberal politicians'. I do not know whether the state Liberal politicians, the honourable member for Monbulk being one of them, live in their electorates, live in Mildura or live somewhere else, but the fact is the honourable member for Monbulk has let down his community, as has the honourable member for Sandringham.

Mr W. D. McGrath — On a point of order, Mr Deputy Speaker, I am not sure that where a member lives is relevant to the legislation. I ask you to bring the honourable member for Albert Park back to the bill.

Mr THWAITES — On the point of order, Mr Deputy Speaker, it was a tangential comment to the substance of the point I am making, that these members have already let down their communities.

The DEPUTY SPEAKER — Order! I will not uphold the point of order. I should be interested to hear the honourable member for Albert Park link his remarks into the debate.

Mr THWAITES — The link is this, Mr Deputy Speaker: this bill is all about giving the Minister for Health, no matter whether she is the real minister or the pseudo-minister, the power to force a mega-merger of hospitals in the eastern suburbs. The fact is that the communities in the eastern suburbs do not want the mega-merger because they know their hospitals will, as the director said, be swallowed up by an inefficient dinosaur. The fact is that those Liberal members have done nothing to protect their areas and the board was told at that meeting that there was nothing much they could do. They are the ones who are prepared to sell out their communities because some of them do not live there and do not care about them. That was the link, Mr Deputy Speaker.

The report of the board was released on 30 April. After what would have to be one of the briefest periods of public consultation in history, the next day the government announced it was accepting the recommendations. That would have to be a world record for lack of consultation — one day. The ink was still wet and the government accepted the report.

The only problem is that it is called an interim report. It is extraordinary that an interim report should be released one day, the next day the government accepts its recommendations and shortly thereafter a bill is introduced to give effect to the recommendations in the interim report. Consultation has been ignored and no-one else has had an opportunity to say anything about the appropriate future design of hospitals. The result will be another crisis in our health system. Our hospitals were already in crisis late last year. That crisis was clearly caused by the massive budget cuts and mismanagement of the Minister for Health.

The same statement has been made by everyone in the health industry — the professionals, the people who work in the industry and the patients. We had the extraordinary situation of the president of the Australian Medical Association saying the Victorian health system was becoming a Third World system because of the massive budget cuts. That sort of condemnation was reflected in the comments made by one doctor after another. Doctors are still saying that, because they work in the system and they know it is not working.

Four or five doctors interviewed on Today Tonight talked about the current crisis, about the people who have to wait too long for or who are unable to get surgery and about the budget cuts meaning that we are unable to maintain quality care. The bill will do nothing to improve the services provided to hospital patients because it does nothing more than change hospital structures.
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Mr THWAITES — I visited that hospital and it had patients. That is a disappointing comment from someone who I thought would have shown more care for people of the Clunes community.

The government has again done a policy U-turn. Only 10 or 11 months ago the government was saying, 'Let the free market rip!'. We were to have a free market in health care, and case mix would fix everything. Some months down the track the government is seeing how disastrous that policy has been. Hospitals have started closing, and yesterday the Auditor-General commented on the serious financial difficulties a number of other hospitals are facing. Having realised that the free-market, let-it-rip system was not working, the government has done a U-turn and gone for centralised planning — centralised not in the Department of Health and Community Services but in the Premier's office!

The interim report of the Metropolitan Hospitals Planning Board accords with the predetermined agenda of the Premier and the government to make further closures. The bill provides the mechanism to enable the minister to aggregate hospitals, sack existing hospital boards and appoint new boards and new CEOs to those aggregated hospitals. It gives the minister unrestrained powers to appoint government cronies. The bill amends the Health Services Act, which defines public hospitals, which are listed in schedule 1, and denominational hospitals, which are listed in schedule 2. It creates the new category of metropolitan hospital, which hospitals are to be listed in proposed schedule 3.

The real purpose of the bill is to tear out of the current act the provisions on amalgamation and to replace them with the unrestrained powers of the minister. Under the current act a proper process of consultation must take place. I am pleased to see that the real Minister for Health — the Premier — has arrived in the chamber. He is the person who pays the bills of the hospital planning board and gets it to fix the problems which the — —

The DEPUTY SPEAKER — Order! I have been extremely tolerant of the honourable member for Albert Park, who has spent 95 per cent of his time with his back to the Chair. The standing orders require honourable members to direct their remarks through the Chair. Although it is normal for speakers to scan the chamber from time to time, they should direct their remarks through the Chair.

Dr Napthine — They did not have any patients.
Mr THWAITES — As I said, Mr Deputy Speaker, the bill creates a new category of hospital, the metropolitan hospital, which hospitals are to be listed in proposed schedule 3. Proposed schedule 3 lists 33 metropolitan hospitals which will be subject to the Metropolitan Hospitals Planning Board interim report.

The report itself makes a number of recommendations, to which I will now refer. It calls for one of two networks to be put in place. Option one creates 15 networks and option two creates 7 networks. However, in an announcement on 1 May the Premier essentially pre-empted further consultation when he seemed to say the government would go along with the seven-network option.

The report made a number of recommendations. Each network is to be governed by a new board of between seven and nine persons who will be paid a fee of $15 000 to $25 000 or up to $50 000 for chairpersons. Of course board members are not now paid. I might say in passing that the bill sets no limit on the amount of remuneration option two creates. Therefore, although the recommendation is that the fees be between $15 000 and $25 000, we could well see $100 000 or $150 000 being paid to board members. Presumably that will depend on how close they are to the government and how high up they are on the crony scale; presumably those who are closest of all will do very nicely indeed.

The second recommendation is that the new board should have a regional health planning role. That is very interesting, but as a result of that recommendation we will see a duplication of bureaucracy. The health department now does regional planning and the health board will also do it. At present the health department plans not only for hospitals but also for community health centres. As I read the report, the department's regional planning role will be limited to hospitals, which are part of the network. Who will plan for the community health centres? Who will plan the necessary links between acute care and post-acute care? I can only presume that the department will continue in that role. Someone has to do it, but as the bill is now we will have a duplication of bureaucracy.

The department and the health board will each do their own planning and, as is the nature of things, those bureaucracies will tend to breed. The house can be sure that the secretary to the department will not easily give up the power he has to control health policy. Essentially we will see money going down the drain into new bureaucracies instead of being spent on caring for patients.

The next recommendation is that the board should include people with finance, management and legal skills. It is interesting that time and again the government prefers those sorts of skills to caring skills. When it comes to health care the government is more interested in lawyers and accountants than in doctors and nurses. The government would be quite happy to have a bunch of accountants walking around the wards with their calculators while people are trying to get health care. There is a real job for them: they could count how many people were waiting for treatment and estimate how long they were waiting. They could count how many people were waiting to get into hospital; how many were left on trolleys for 48 hours, unable to get into a bed; and how many were on the waiting list for elective surgery. The accountants could calculate many things, so perhaps it is not such a bad thing that the government has put a priority on accountants and lawyers.

The report also recommends that the board should determine appropriate locations for hospitals and rationalise and relocate services within their networks. That is another of those euphemisms: they do not say they will close them down, but that they will 'rationalise' them. What will the government do with the Alfred Hospital, for example? Presumably that hospital, which has now been placed in the eastern network, will be among those to be rationalised. Will there be a massive reduction in services at the Prahran campus? The writing is on the wall for the Alfred Hospital. There will be a major reduction in services at that campus and the result will be that the citizens in the south of Melbourne will lose services. Basically this is about further limits on health services that are desperately needed.

The DEPUTY SPEAKER — Order! The time has arrived for this house to meet with the Legislative Council in this chamber for the purpose of sitting and voting together to choose members of Parliament to be recommended for appointment to the councils of the Royal Melbourne Institute of Technology, Deakin University and the Swinburne University of Technology.

Debate interrupted.

Sitting suspended 6.16 p.m. until 8.04 p.m.
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ASSEMBLY

HEALTH SERVICES (METROPOLITAN HOSPITALS) BILL

Debate resumed.

Mr THWAITES (Albert Park) — Prior to the suspension of the sitting for dinner I was referring to some of the problems with hospital waiting lists for elective surgery in this state. The honourable member for Monbulk referred to the Angliss Hospital waiting lists and I pointed out that the Angliss Hospital had suffered a considerable increase in its waiting list, as has the Monash Medical Centre, which the honourable member for Bentleigh would no doubt be concerned about. The Monash Medical Centre has seen its waiting list increase massively over the past year to more than 3500. Indeed, the waiting lists at a number of hospitals such as the Angliss are more serious than they were in October 1992 when this government came to power.

In October and November last year the government changed its policy on the case-mix bonus pool, which forced hospitals to close 500 beds in the major Melbourne hospitals, and that led to a blow-out in waiting lists. The number of operating sessions has been cut considerably, and that has meant fewer people can be treated.

Cuts have occurred not only in the elective surgery area, leading to a serious blow-out in waiting times for patients, but also in emergency departments.

Mrs Tehan — On a point of order, the bill is precise, small and specific. The honourable member has spoken for an hour of wide-ranging debate and he is now moving to hospital emergency departments. I cannot see the relevance and I suggest that he come back to the bill.

The SPEAKER — Order! The practice of the house has been for the lead speaker on either side to be given a fair amount of licence. At this stage I do not believe the honourable member is breaking any precedents or practices of this house, but I remind him that, like every other member, he should confine himself to the bill.

Mr THWAITES — The matter to which I referred was the waiting times for people waiting for emergency treatment and also the number of patients that are unable to obtain hospital beds because there are not sufficient beds. This means that hundreds of patients who are unable to get hospital beds are waiting on trolleys in hospital departments.

It was most disturbing that the minister appeared to be satisfied with the situation that some 494 patients had waited more than 12 hours on trolleys last October because they were unable to get hospital beds. It appears that the government is not prepared to provide health care to the people who need it. The government claimed that this is a situation that has always occurred. Of course there will always be more people waiting on hospital trolleys than one would desire and of course that has been a problem, but when one looks at the performance of the government one can see that things have got worse. At the Alfred Hospital between June 1993 and June 1994 there was a 94 per cent increase in the number of patients who waited more than 12 hours on trolleys. In July 1994 at that hospital there was a 144 per cent increase in the number of patients waiting more than 12 hours.

In January 1994 at the Monash Medical Centre the number of overnight stays was 340, but in January this year it was 404. Once again the situation has significantly worsened over the past year, and that was a result of massive bed closures imposed on hospitals by this government because of budget cuts.

The SPEAKER — Order! The minister raised a point of order regarding relevance. I have to ask the honourable member for Albert Park to satisfy the Chair and, to ensure that the debate is in order, to indicate to the Chair which clause of the bill his remarks relate to.

Mr THWAITES — I am happy to do that. I could pick a number of clauses but I pick clause 6, which relates to the Medicare principles which are now incorporated in this legislation and include the provision that access to public hospital services is to be on the basis of clinical need. The problem with waiting lists and the delays in emergency times is that access to public hospital services is on the basis not of clinical need but the lack of beds and resources in our health system.

If $300 million a year is cut out of the public hospital system hospitals will be forced to close and more than 500 hospital beds and thousands of staff will be removed with the result that services will be affected. The result is in the figures, and the Minister for Health is embarrassed by those figures. You are embarrassed by those figures and you know it.

Mrs Tehan interjected.
The SPEAKER — Order! The honourable member for Albert Park may not lean across the table and address the minister in the first person. The honourable member must address the Chair in the third person. I ask the honourable member for Frankston to refrain from interjecting.

Mr THWAITES — Mr Speaker, the minister is embarrassed by these waiting lists and that is why she is going around doing deals with hospitals. I feel some satisfaction tonight that I have raised the particular case of a woman in need of a heart bypass operation — surgery which she was meant to get at the Austin Hospital but could not get and was told to wait six months. However, because the issue was in the press she has been offered an operation in the next few weeks. Suddenly the urgency has increased! Instead of the urgency being based on the clinical need, as proposed in the bill, the urgency is increased! Instead of the urgency being based on the publicity each particular case receives.

I welcome the fact that if there is publicity the government gets so embarrassed that it is prepared to push someone up the queue. I feel satisfied that at least in one case one person has access to an operation she would not otherwise get. Unfortunately there are 26 000 other people who are not on the minister’s may-assist list, and she is not able to assist those patients because she is not the real minister. The Premier is the person who appointed the Metropolitan Hospitals Planning Board and who is running the system because this minister has been an abject failure.

I was saying before the suspension of the sitting that the bill creates a new category of hospitals known as metropolitan hospitals, which are listed in schedule 3 of the bill. The government claims that does not include country hospitals or denominational hospitals, which have been left out of the forced amalgamations encompassed in the bill.

Mr Weideman — Do you know why?

Mr THWAITES — I support that provision.

Mr Weideman — Do you know why?

Mr THWAITES — I hope the reason is because the Catholic Church has had a deep involvement in the provision of services for many years based on a particular philosophy of health care, which puts the preservation of care for human beings as a priority rather than mere financial priorities, which seem to be the factor that dominates the government’s thinking.

Despite the government’s statements, I am concerned that the bill allows for compulsory acquisition and amalgamation of Catholic hospitals. I am not sure the minister had intended that to occur and I am sure the minister would have lobbied in Cabinet and elsewhere to prevent that possibility, but the fact is that Catholic hospitals will automatically be able to be amalgamated with non-Catholic hospitals.

The reasons for that are apparent when one looks at section 8 of the principal act and the provisions of the bill. Under section 8 the Governor in Council may amend schedules 1 or 2 by adding, removing or amending the name of the hospital. The Governor in Council must not remove the name of a denominational hospital unless the hospital ceases to be controlled by a religious denomination. That provision prevents the forced amalgamation of Catholic hospitals. However, the bill allows the Governor in Council to add, remove or amend schedules 1, 2 or 3. There will be no prohibition on the Governor in Council’s removing a denominational hospital under schedule 2 and adding it to schedule 3. The result is that the bill gives the government the power to compulsorily acquire church properties. That is a result which I am sure many people concerned to maintain the role of the Catholic Church in the health system will be most concerned about.

The bill allows the government to put any country hospital into the city amalgamation process. This minister has been saying for some time that there will not be any amalgamations of country hospitals. The minister’s statement is about as believable as the other promises the government makes. You cannot believe anything it says or trust the minister to run the health system. Despite the minister’s assurances that country hospitals will not be part of the aggregation process, once the bill goes through, the stroke of the Governor in Council’s pen will put a country hospital into the amalgamation process. That is a matter of great concern and is something that has not been properly explained in the second-reading speech.

Section 8 of the principal act, which prohibits the transfer of hospitals from schedule 2 to schedule 1, has not been amended in the bill, which means that any Catholic hospital can be amalgamated and any rural hospital can be compulsorily amalgamated.

I refer honourable members to the board of directors of metropolitan hospitals. Each board of directors will consist of no fewer than six and no more than
nine persons who will be appointed by order in council acting on the recommendation of the minister. I compare that with the current system where the board of a hospital may nominate members for the minister's consideration. The existing board will continue until the appointment of a board under section 40E(1). Board members will hold positions for up to three years. As I said before the suspension of the sitting, the opposition is concerned that new boards will be stacked with the cronies of the government who will have limited qualifications.

Proposed section 40H concerns the annual meetings of hospitals, which the opposition is also concerned about. It states that the annual meetings of metropolitan hospitals are to be held by a certain date, but no meetings are necessary in the first 12 months. It seems that metropolitan hospitals will not have to hold annual general meetings this year. Given the blow out in waiting lists it is not surprising that the government does not want annual general meetings this year. That is another example of hospitals not being accountable. The public will not be allowed to see what goes on behind the closed doors of the new hospital system.

The bill also says each board must appoint a community advisory committee. Its function will simply be to advise the board; it will not have any role in the running of the hospital. That advisory committee — —

Mr Sandon interjected.

The SPEAKER — Order! The honourable member for Albert Park would be better able to control his emotions if he faced this way and directed his remarks through the Chair, which is ever ready to listen to his words!

Mr THWAITES — Each new board will appoint a community advisory committee, which will consist of community representatives. Given the huge geographic areas covered by some of the aggregated hospitals it is hard to see how the community input will have much impact. Proposed division 9A outlines the process for the aggregation of metropolitan hospitals. Under the act hospitals may be amalgamated under sections 64 and 65, which provide for consultation and require the consideration of the economic and health consequences of any amalgamation. The bill removes all the consultation mechanisms and gives the minister unconstrained power in relation to hospital amalgamations. The Governor in Council is able to direct the aggregation of two or more metropolitan hospitals by order published in the Government Gazette, as well as appoint the new board and the first chief executive officer.

As I said, the bill removes all the consultation and reporting mechanisms as well as the requirement that the minister be satisfied that an amalgamation is in the best health interests of the hospitals concerned. The current provisions were inserted following lengthy debate. The Liberal Party's then shadow Minister for Health, the Honourable Mark Birrell in another place, emphasised the importance of a prior and proper analysis of the economic and health consequences of any amalgamation. This bill removes all those provisions and all the constraints on the minister.

The opposition is concerned that proposed sections 65N and 65O will affect property rights and hospital donations. Under proposed section 65N all property and other rights of the aggregated hospitals will be vested in the new hospital. Proposed section 65N contains extraordinarily broad provisions that limit the liability of a new hospital following aggregation. Proposed section 65N(b) contains the alarming provision that nothing in the division is subject to compliance with any act or other law or any provision in any arrangement, including any provision regulating the assignment or transfer of any property. I have received legal advice that that will allow the government to transfer property from one hospital to an aggregated hospital in breach of trusts, obligations in wills, bequests and gifts. In other words, people may donate money to a hospital believing it will be used for a particular purpose, but under the bill it could be whisked off to another hospital and used for something different.

Mr Weideman interjected.

Mr THWAITES — Of course it is not necessarily so, but a person who has donated money on that basis will have no recourse at all. Under proposed section 65O that person will be denied any right of action before any court or tribunal to complain about any wrongdoing. The processes by which the courts ensure bequests and donations are properly dealt with have been completely ignored. That is dangerous because it undermines the ability of hospitals to raise funds. If I were thinking about donating to a hospital for a particular purpose, I would want to be assured that my money would achieve that end. Under the bill I could not be given that guarantee. On the contrary, the money could be
transferred to another project in another hospital. My initial donation would be essentially worthless, and the new hospital could spend the money with impunity.

I have received complaints from a number of sources about the effect of the legislation on hospitals’ fundraising activities. In one case the members of a hospital auxiliary wrote to me saying they had sought to raise funds from a trust organisation but that the organisation had written back pointing out it was not giving money to hospitals or hospital auxiliaries because of the uncertain futures they faced. Another case involved donations to the Royal Women’s Hospital for a new oncology unit. There was great uncertainty about whether the money would be used by that hospital as a priority or whether it would be used by a future amalgamated institution.

If donations are not spent according to the wishes of the donors, people will have no recourse for complaint because the jurisdiction of the Supreme Court has been excluded yet again. The Supreme Court’s jurisdiction has been limited in almost 100 pieces of government legislation. The Scrutiny of Acts and Regulations Committee has written to the minister outlining its concerns about the proposed section. So far as I am aware it has not received a reply.

In bill after bill we are seeing the government exclude the jurisdiction of the Supreme Court. That is not merely a matter of legal comment, nor is it a matter of concern only to lawyers, it ought to be a matter of concern to all citizens because it means the government, tribunals and authorities can act illegally or act without due process or act in breach of natural justice and nobody has any right to complain.

In conclusion, this bill and the Metropolitan Hospitals Planning Board report is bad news for Victoria’s health system. The plan is merely a smokescreen to hide the fact that this government is planning more hospital cuts, more closures and more reductions in health services. This bill and report is merely a means of diverting attention from the crisis in service delivery in our public hospitals and the increasing number of people who are on public waiting lists. The government will use this bill to sack existing hospital boards. It will then replace the boards with hand-picked cronies. This will ensure that these new boards will not complain in any way about the crisis in our hospitals. Seven new bureaucracies will be set up to duplicate the role that the health department already plays in regional health planning. These new boards will cost a great deal of money, which should be spent on patient care. Small hospitals will have very little role to play in the new super boards and we will see hospitals in the outer eastern suburbs of Melbourne swallowed up as they lose their resources and are forced to reduce their services. Community involvement in our hospitals, which has been so important in building up many of the hospitals in the outer eastern suburbs, will be lost.

The real problems in our hospitals are not being addressed. The government’s plan will not get a single patient off the waiting list; it will not get a patient off a trolley into a hospital bed. It will not stop the decline in the standard of care in our public health system.

What the health system needs is adequate resources and an adequate standard of care. But, unfortunately, this legislation and the planning report will do nothing to stop the decline in quality and the decline in the standards of care in our public health system.

Mr DOYLE (Malvern) — What a difference a day makes! I want to point out that last night —

Honourable members interjecting.

Mr DOYLE — Lie down! Just wait! I want to point out —

The SPEAKER — Order! I had the house well settled down until I called the honourable member for Malvern. I ask him to address the house with moderation.

Mr DOYLE — I am very grateful for your help, Mr Speaker, but I feel a little nonplussed that my moderate beginning would draw such an ill-tempered reaction from the opposition. Last night I listened to the honourable member for Albert Park speak on the Infertility Treatment Bill. I might say that last night, for the first time in two years, I heard him make a measured, reasonable contribution to the debate.

An honourable member interjected.

Mr DOYLE — I would not say I agreed with him in toto; he made his usual mistakes and misrepresentations, but the thrust of it was well meant.
Honourable members interjecting.

Mr DOYLE — It is difficult not to be patronising when you have so much fertile ground to work with! Tonight what we have heard was the most hysterical, cynical and gloom-filled response to this bill. Could I suggest, from a different field of endeavour, that if the honourable member for Albert Park were a racehorse on tonight’s performance he would be swabbed.

I shall pick up six points the honourable for Albert Park made. The first is this: tonight we were told this was appalling legislation because hospitals and their boards would be set up on business principles and commercial sound sense. Talk about poking the pointed stick into the cage and rattling it, that is a beauty!

Sound commercial principles — you should never apply those to the health sphere, should you? It is almost as if care, compassion and expertise are quite separate from sound commercial principles. And, of course, the answer is they are not. I will get back to that matter in a moment when I turn to denominational hospitals because I want to talk about St Frances Xavier Cabrini Hospital, which is a hospital in my electorate that operates on both of those principles quite happily.

We were told that we needed to talk about patients; that hospitals should not be talking about clients or customers because that invokes the terrible shibboleth of the commercial world. What an appalling thing, that you could actually value the patients in the hospital as customers or clients and want to deliver the best service! What a terrible thing that you might consider health care a product and you might deliver the best health care in Australia as a product. That is just terrible!

The second point the honourable member for Albert Park raised was: what an appalling thing it is that a board might want legal, accounting or business expertise. Isn’t that a terrible thing, that on the governing board you might want that sort of expertise! How naive can you get? You are running a business of hundreds of millions of dollars, trying to deliver a product that is the best health care in Australia, but you certainly would not want any business, accounting or legal expertise on your board, would you? That would be too much to concede!

The third point the honourable member for Albert Park mentioned was even more iniquitous. He talked about pushing people through the hospitals, pushing them through, getting them out quicker, but sicker, he said, as if that were not a clinical decision made by the medicos and the clinicians, and so it should be. It would be terrible to measure things by outputs, wouldn’t it? He says, ‘Let’s measure it by inputs’.

The fourth point the honourable member made was about the closure of beds. Again, this was some magical figure, the closure of 500 beds — —

Honourable members interjecting.

The SPEAKER — Order! I remind the honourable member for Albert Park that when he was on his feet for some considerable time he enjoyed the protection of the Chair. Any member who interjected was brought into line; I ask him to reciprocate. I also ask the honourable member for Sunshine to remain silent.

Mr DOYLE — He talked about the closure of 500 beds as if that were some magical measure of how the health system had fallen away, that we were not delivering the same duty of care or quality health product. I want to point out one small example. I only wish I could remember the name of the drug, but I cannot. It was invented a few years ago. All it did was to stop cancer patients vomiting during their treatment, but the moment that drug was invented, it halved the number of beds needed in oncology at the Royal Melbourne. Where is that sort of technological advance factored into the 500 beds that the member for Albert Park puts forward tonight? Where was the concession about seasonal closures being quite normal at hospitals?

Then he made the sweeping generalisation, my fifth point, that because of bed closures fewer patients were treated last year. That was demonstrably not so of our hospital system last year or the year before. I am sure the minister in her closing speech will be able to point out the exact numbers of people who were treated. There were certainly more treated last year. It is quite a deliberate misrepresentation by the member for Albert Park.

He made a point, and again this reflects the cynicism of his speech, about denominational hospitals, which I said I will come back to. He suggested that somehow the government was going to force denominational hospitals to become part of metropolitan hospitals. That is not the case. There is no provision in this bill to allow the compulsory acquisition of church property; yet he somehow
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wished to imagine that the two can be brought together.

My reading of proposed divisions 4A and 9A in part 3 suggests to me that denominational hospitals could not be dealt with under those provisions, so a denominational hospital could not be included in schedule 3, as the honourable member for Albert Park argued.

The final point I make about the contribution of the honourable member for Albert Park concerns a point he raised which on the face of it is not a bad point: if moneys are donated directly for a specific purpose they should be dedicated to that purpose. He suggested that somehow that would not be the case. That is an astonishing and sweeping generalisation. I agree that if money is bequeathed to a hospital through some deed of gift, whether it is through a will or any other instrument, it should be dedicated to the purpose for which it has been given. But this bill is not prescriptive, it is enabling legislation.

So what is the only clue we have about how that might operate? What do we go to as a sort of road map for how such bequests might be applied? The interim report of the Metropolitan Hospitals Planning Board. It says quite clearly under the heading 'Financial Implications' that a high level overview of financial structures needs to be conducted. It says that would include identification of funding sources, review of assets and liabilities and allocation of recurrent expenditure, among other things.

I shall quote directly from page 67 of the report. What I found distressing about the contribution of the honourable member for Albert Park is that he set the hares running but what he said has no relation to the facts or what is in the discussion paper that is in the public domain. This is what the report says about the matter the honourable member for Albert Park raised:

Boards should be cognisant of previous funding sources and the application of those funds and ensure that donated capital funds are used for the purpose they were given unless this is totally inappropriate. Various trust funds and private practice funds held by the hospital on behalf of its staff will require particular attention.

It is all very well to come into this place and suggest there are some bogeymen out there or there are some terrible implications in the bill but, as I have said, unless your world view is so cynical that you believe that the report is a fiction or, in the case of church property and denominational hospitals, that the government is out to force denominational hospitals to become metropolitan hospitals, much of the latter part of the honourable member's contribution was spurious. I suppose I should be used to that, but, given last night's reasoned and measured contribution from the honourable member for Albert Park, in tonight's contribution he let himself down.

I move quickly to the crucial matter. Although it might not seem apposite to discuss things like David Schwarz's knee, I want to talk about David Schwarz's knee because it illustrates an important point about this report: what the minister is trying to do with our hospital system and the current situation. It makes an important point about how we move into future. I think both sides of the house agree that health care is an important priority. We want it to be accessible and equitable; we want all Victorians to have access to the highest quality health care; and we want it to be affordable.

Let us consider for instance — and I am sure honourable members on the other side will remember — John Coleman, a great Essendon footballer.

Ms Marple interjected.

Mr DOYLE — They may not. In that case, I am sure the honourable member for Altona will enlighten her colleagues. When John Coleman was injured and needed a total reconstruction of his knee — it was not so long ago; as we have demonstrated, it is within the living memory of people in this chamber — he was out for life. That was the end of John Coleman's career. You come forward about 15 or 20 years, and what do you find? You find different practices; perhaps players were out for a year, maybe a little longer, but they were certainly able to play again. Now we come further forward to David Schwarz's knee —

Mr Haermeyer — Did he go through a public hospital?

Mr DOYLE — I am not sure whether he did or didn't: If what the honourable member for Yan Yean is suggesting is that the standard of care in our public hospital system is any less than the standard of care in our private hospital system, he is dead wrong!
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The SPEAKER — Order! The honourable member for Yan Yean is disorderly in interjecting from out of his place. The house will come to order.

Mr DOYLE — Regardless of where this procedure took place, I am sure he would have received the highest standard of care. The amazing thing is that this player played again last weekend after just 16 weeks absence from the field. If I recall the article in the paper correctly, it said that he would have been prepared to play perhaps two or three weeks earlier. The point of the anecdote is this: technological advances have changed the face of health care delivery in this state from what happened in our hospital system 30 or 40 years ago and changed the view of the public about what constitutes health care.

How do we move forward? How do we change the system to meet the expectations of the public so that the sort of care now being delivered to sportspeople like David Schwarz is what the whole system reflects? I welcome, as we all would, that there is now greater balance in our health care system. I would argue that we have moved away from the idea of illness towards the idea of health promotion, prevention, treatment, rehabilitation and palliative care. We know we need to provide the best possible health outcomes, and we need a clear passageway through the different areas in this modern technological era. Our system will seek to promote good health and prevent ill health, and it will certainly respond to the needs of those who are ill.

How do we do that? The member for Albert Park made great play of the recent Auditor-General's report, but in doing so he neglected the report on ministerial portfolios of May 1995. I refer the honourable member for Footscray, who has a copy with him, to page 102, point 3.6.23, where the Auditor-General says:

The government has also initiated a review of metropolitan hospitals and has appointed the Metropolitan Hospitals Planning Board to undertake this task. The board will advise the government on the required number and location of public hospitals for the Melbourne metropolitan area into the next century. In the Auditor-General's report on ministerial portfolios, May 1994, comment was made on the oversupply of beds in the public and private hospital systems and that significant variations existed in the distribution of public beds per head of population between the various metropolitan health regions. It is hoped that the outcome of the government's current review will address the problems identified in my May 1994 report to the Parliament.

The Auditor-General is saying, 'Yes, this is timely. This process is appropriate. It is responding to matters raised in 1994, which have been endemic in the health system because of the march of technological change and the differing demands of our society'.

This legislation, which the honourable member for Albert Park touched on at certain infrequent points during his speech, is enabling legislation only. Of course we have an interim report, which is in the public domain for public consultation and comment. I understand that process is finished, and I will come back to that in a moment. What else would you have the minister do? We have a review to look at the systemic needs and now we have a consultation process including all players. That is what has happened.

Would anyone seriously argue that there is no necessity for reform of a whole structure based on systemic needs in a system which has served us well since the 1900s but which has not substantially changed in that time? I argue it is time we had such a review that focuses on outcomes, on fair distribution of services, the best health facilities and treatment appropriate to needs — all the things we agree on on both sides of the house.

You may or may not agree with the decisions, but this is surely a subject for debate. The key of the review of the Metropolitan Hospitals Planning Board is provider networks. If you wish to move our system forward you need provider networks, a collection of providers under the common governance of a board, with a wide range of health care facilities that are tied to individual patient's needs. It does not matter whether it is aged, psychiatric, palliative, rehabilitation or home-based care or what we traditionally regard as acute services. We need a system that responds seamlessly to that whole range of scenarios. The key is the boards of governance, and that is where our debate should be if members of the opposition wish to be a legitimate part of debate. Do you go with the board network, as suggested by the review panel? Do you go with a small, accountable, commercially oriented board that is up to speed on all health issues? I would argue yes.

The honourable member for Albert Park seemed to want to reduce the options available to the ones that were advantageous in some ways and
disadvantageous in others. The report does more than that; it points out the disadvantages and advantages in its two options, one option being for 15 networks and the other for 7 networks. The board says, 'Let us talk about it. These are the disadvantages and advantages of the 15 networks, here are the advantages and disadvantages of the 7 networks'. It clearly spells them out. The honourable member for Albert Park suggested in some way that this discussion had been pre-empted. How can that be the case when the board sets out the grounds for and against the options? They say the positives about the smaller network option are: they will share infrastructure; be close to their local communities; their management will be less complex because of the smaller units; there will be some continuity for those smaller networks.

It says there are negatives about option 1: it is harder to move resources to the outer fringes; it is harder to provide a full range of services within that smaller network; it is harder if you do not have a tertiary service provider within one of those smaller networks. What do you do without a tertiary provider, and perhaps the tertiary provider would dominate if there were such a provider in a smaller network.

The Premier has said option 2 would be sensible, and the report says, on balance, that option 2 is the fair one. The board presents the advantages and disadvantages of that option, too, and it has real positives: you can coordinate care across more resources; you can share infrastructure to a greater degree in bigger networks; you can rationalise services outwards more efficiently.

In option 2 the role of the Department of Health and Community Services bureaucracy as a guiding hand would be diminished. It talks about the importance of having aggregations of similar services. However, it also points out the disadvantages: it is difficult to coordinate services across bigger networks; the distance from the community may be a problem; it would be a larger managerial change; and perhaps would be more difficult to manage.

The board makes no bones about its proposals. It has specific proposals about the hospitals Victorians love — that is, the Royal Children’s, the Peter MacCallum, the Eye and Ear, and the Royal Women’s hospitals. It has specific proposals for them. The honourable member for Albert Park did not mention them. He jumped onto the cynical misrepresentations that characterised his performance tonight. Now that the closing date for comments about the interim report has passed, it is time hospitals thought more about how to move beyond their walls. It is time for us to think beyond autonomous, discrete individual units. I will return to that shortly.

Maybe we should say something about how our lifestyles have changed. A simple way is to look at the role of campaigns such as Quit, Sun Smart or Active for Life which would have been unheard of two decades ago, but which have markedly changed health care delivery in Victoria.

I move to how we could make acute services much more seamless with other services mentioned. I understand the metropolitan area has 35 stand-alone hospitals. No-one would say that any of those 35 has done a bad job. In fact, we would say they have done a fine job of providing health care to Victorians, but we also say, surely, that the answer to a systemic health system is no longer to have 35 separate institutions.

Mr Haermeyer interjected.

Mr DOYLE — I take up the quiet interjection of the honourable member for Yan Yean. He says the way to run a health system is to focus on 35 discrete, autonomous institutions and hope that somehow the sum total of those parts adds up to the best system — it will not work. Technologically, demographically, systemically and clinically it will not work any more.

All the work those hospitals have done is fantastic; nobody would minimise that. Now it is time to look at ways of linking institutions, not simply to focus on how they can be autonomously as excellent as possible. How can they be collaborative and responsive to communities? How can you have the administration and staff structures sitting side by side for maximum efficiency? What about the support structures for administration of health to provide the best health system for Victorians?

I refer to the earlier interjection of the honourable member for Yan Yean. It is the fault of nobody that, in a way, our institutions are geographically outdated. I am sure the honourable member would agree. Historically, those institutions were placed in clusters around the centre of Melbourne. I understand 30 per cent of our acute activity happens in six hospitals within 5 kilometres of the centre of Melbourne. The honourable member for Yan Yean represents an outer Melbourne electorate.
I argue: is what he really wants the historic demographics of six hospitals within 5 kilometres of the CBD to provide 30 per cent of the acute services? Will that be the best to deliver services in Sunshine, Altona Meadows or Yan Yean? No!

It is timely to now look at how we might change that structure. Honourable members should consider the astonishing statistics of the Berwicks of the state, where 40 families a month are moving in, and consider the growth areas on the outer fringes of Melbourne at Werribee. How do we relocate services where the communities are? It will not happen if you stick with the demographics that are now outdated historically. If you simply focus on those 35 stand-alone institutions, you will have a fragmented health system. It is now time to look at ways to link them, not to simply look at them separately. Therefore, we must look at what is the task before the community, the minister and the Metropolitan Hospitals Planning Board.

How do you provide the highest quality system across the metropolitan area? What degrees of change do we need to recommend to the community hierarchy? What do we do about specialisations? The honourable member for Albert Park used the word ‘aggregations’ as though it were somehow pejorative; it is not. Those 35 institutions cannot be everything to every man and woman with every specialisation needed provided in each clinical world that makes up a hospital. What do you do about the hospital boards? How many members should you have on each board? Those questions are properly addressed by the reports and will be touched by this enabling legislation.

What is the relationship between the administration and clinical functions of each institution? The Metropolitan Hospitals Planning Board has reported in the first of its two stages on the government’s original structural change and will now move to the question of long-term framework. The report of 30 April and, I understand, the second report of June are with us at the moment. We value the input of the community on the big question of health care delivery.

Again the honourable member for Albert Park talked about the interim report as though it were some sort of drawback. He has wanted to criticise the process which was all about consultation. I say to him: put your ideas on the table! We know about our direction. The minister has brought in enabling legislation and the communities can have input on the proposal on the table. What could be more proper for future directions? This document gives us the probable nature of our future in health care delivery.

We will amend the Health Services Act. Tonight we heard a cynical and gloomy contribution from the honourable member for Albert Park, but we need this legislation for the final recommendations of the Metropolitan Hospitals Planning Board to be immediately implemented. The honourable member for Albert Park selectively quoted from proposed division 9A of part 3 which applies to the aggregation provisions. He quite cynically and selectively quoted from proposed division 4A of part 3 which talks about boards and making their role consistent with corporations and focused on long-term strategies. He was selective and deliberately cynical in reference to those two parts.

In the end we want to move those individual hospitals away from day-to-day operational concerns and move their boards of management towards long-term considerations of the best health care for Victorians. This enabling legislation creates a partnership between the community and the combined expertise of the system. Would anyone seriously argue it is not time for a change that aims at systemically delivering better health products for all Victorians? I do not think so!

If this is not the way forward, what alternative has the opposition put before us tonight? In an hour and a half of doomsday predictions the honourable member for Albert Park did not offer one constructive suggestion on how we might move health care forward. Instead, all we heard was the usual carping. The process is working, constructive suggestions have been made, and we have a minister with the necessary will to make sure we Victorians have the best health care in Australia.

Mr MILDENHALL (Footscray) — I will comment on two things that arose from the mile-a-minute claptrap we heard from the honourable member for Malvern. Firstly, what a difference a day makes! Every ambitious government backbencher is now leaping to his or her feet, trying to impress. Each government member has implicitly said, 'The vacancy will be mine, listen to my presentation'. There is certainly a lot of ambition around the place.

Secondly, the honourable member said the bill is enabling legislation — and isn’t it classic government enabling legislation! It gives more power to the executive by centralising power in the minister’s office, takes away the rights of local
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Communities and individuals, limits the jurisdiction of the Supreme Court and thereby removes anyone's capacity to examine these processes or bring to account anyone who exercises the powers provided under the legislation. It removes accountability, removes transparency, removes local representation and removes community involvement, and it introduces the dead hand of centralism in an attempt to overcome the political difficulties the minister has dropped in the way of the health system during her disgraceful performance over the past two and a half years.

The bill enables the Minister for Health to aggregate hospitals. Perhaps 'aggregate' is the term the Minister for Education should have used: he aggregated schools, aggregated school children and aggregated school communities into new entities. The interim report of the Metropolitan Hospitals Planning Board was discussed by the community for two days — about the same time the aggregated school communities had to discuss their fates.

The bill allows the minister to sack existing boards and appoint new, dynamic, so-called commercially orientated boards, including puppet chief executive officers. It is all part of the government's ludicrous 55-year plan. Of all the amazing propositions that have been presented to Parliament in the past two and a half years, the 55-year hospital services plan would have to be the most ridiculous. That was made obvious by the honourable member for Malvern, who used the example of one drug in a hospital oncology unit halving the demand for beds! Technological changes are taking place all the time.

In the early 1980s a hospital I was involved with wanted to acquire a CAT scanner. At the time the CAT technology was brand new and fantastic, and only the big Melbourne hospitals had one. Now they are a dime a dozen: every hospital has one, and some have many. CAT machines have dramatically changed the way hospitals deliver services. Those sorts of technological changes are occurring constantly, so it is ludicrous for a government to pretend it is able to predict where hospitals will be needed, what sort of boards they will need, what buildings they will need and what types of communities they will serve in 2050. It is a bit like the car promoted by a former Queensland Premier, which was supposed to run on water, or the Victorian Premier's prediction that new technology may render the former SEC's power stations worthless. It is extraordinary, smokescreen stuff!

The Department of Health and Community Services has decided as a matter of administrative convenience to create a new region in the western suburbs, with which I am particularly concerned. It has decided to divide the available resources relatively evenly across the population centres of Melbourne regardless of communities of interest, natural boundaries, imposed boundaries or communication and transport networks. It has decided to slip the Royal Melbourne Hospital into the western region — not the Royal Children's Hospital or the Royal Women's Hospital, just the Royal Melbourne Hospital.

It has decided that the Royal Melbourne Hospital and many other hospitals in the western suburbs will be run by one board. It may as well be a region — it has a population as large as Tasmania's — but there is only one MICA ambulance in the west. The new board may be able to accomplish the impossible task of sending one MICA ambulance to every corner of the region! How will it be able to do anything other than respond unsatisfactorily to emergencies, thereby endangering the lives of people in the area?

The on-the-ground condition of the western suburbs health system is appalling because of the minister's actions. Residents of the western suburbs are not confident that the minister's centralising powers will improve the system. Health services in the western suburbs have been publicly characterised in particular ways. The bill carries on those themes: it is irresponsible, negligent, arbitrary, undemocratic and miserable. The bill will not work because the government is not committed to effectively and equitably delivering on-the-ground services. The situation will not change.

The clearest indicator of the state of the health system was given by the shadow Minister for Health, who on a number of occasions referred to the fact that the Premier's office now exercises effective control over the Department of Health and Community Services. In a scarcely concealed move the Premier conducted a whistles-top tour of hospitals with the media in tow, effectively saying, 'I am going to do something about it! I am going to distract everyone's attention from the real issues of the Proust planning board but follow it up with legislation'. Wasn't it a classic process? Now this bill is what the government promised. There has been no effective consultation. The interim bill within two days has become the plan, and now the government is implementing it.
The real issue is not how many boards there are, how many people ought to be on them or how much they ought to be paid. Typically the open-ended arrangements will lead the government to make the mistake it has made in the past of overpaying and poorly selecting people because it gives no guidelines and leaves the process open-ended. The real issue is why the bill has been put forward in the first place and why the whole exercise was initiated. That was to cover up the appalling service situation on the ground.

The Auditor-General’s report on ministerial portfolios gave us a brief retrospective glimpse when tabled yesterday. The system has significant financial difficulties. The bill will not do anything about that. Western Hospital received special mention. According to the Auditor-General, it faces significant financial problems. It had to be bailed out. At one stage, it looked like it needed a $6 million injection of funds just to keep it going. It got most of that amount but not all of it and was able to keep going through some desperate attempts by management and staff and a combination of management reforms and increased funding.

The recommendation made to the Western Hospital is typical of the government’s approach; the government suggested it ought to institute a more aggressive discharge policy. The government says, ‘Get them out quicker!’ It does not matter that there are language problems, that people have difficulties that link with cultural expectations, that all the research shows a greater incidence of multiple health problems coinciding in all sorts of ways making treatment a lot more difficult for people in the western suburbs and that there are other complicating factors. The government says, ‘Forget the characteristics of the local community! Implement a more aggressive discharge policy. Get them out regardless of their situation’.

Staff say 2.9 days are allowed for having a child at the Western Hospital. After that the hospital has to pay for the service from its own resources. Case mix does not cover the patient beyond that time, so that is the deadline. The staff know that. They have to see what they can do to get patients out because after that they are in the red and they will suffer the same crises that characterised last year. That is the guideline from the government and that is how its guidelines are being implemented.

The run-down of hospital services and staff has become endemic. The interim report showed that of the 545 registered beds, 418 beds are available. That is a shortfall of some 130 beds, so some 30 per cent fewer beds than registered are able to be used.

Is there any suggestion there is a lesser demand for hospital beds? Problems in the wards are extremely serious. The staff report to me that after the financial bail-out of the hospital, albeit that the net effect was that hospital accounts improved, there was no service improvement on the ground. The improvement was simply meant to be a sense of satisfaction among staff and management that the hospital was not going broke; but there was no improvement in staffing — in fact, there was a 10 per cent staff cut — there are holes in the walls in the geriatric section and maintenance is poor.

People comment that hospitals are dirty and that it is extremely difficult for a person to get a bed if he has a moderately serious illness. If a patient is in the peripheral, low diagnostic-related grouping, the high-volume end of the patient spectrum, the hospitals will have him in and whip him out because that is good under case mix; it helps the books look better and helps the cash register turn over.

The problem is that that does not address clinical needs and the urgency of treatment. This is the objection opposition members had to the presentation of the honourable member for Malvern. He was saying, ‘What is wrong with a commercial, businesslike approach?’ The businesslike approach, as translated into this sector, is high-volume, mass turnover and low-intensity treatment to keep the cash register turning over.

The other crises in the western suburbs concern ambulance services. Since early 1993 we have had a series of tragic episodes in the delivery of ambulance services. What does the bill do to rectify that problem? The only possibility is that if the whole region is run by one board and there is only one MICA ambulance for a population the size of Tasmania’s population, services may be able to be more efficiently allocated!

There have been some absolutely tragic, extraordinary instances. Many in the community believe some deaths have been caused by 20-minute-plus ambulance response times. One man lay on the side of the West Gate Freeway until, after 20 minutes, a MICA staff member turned up in a police car with no equipment.

Resources on the ground have not been re-established since the scorched earth, cost-cutting...
days of early 1993, when the minister started to seriously go about her $300 million surgical amputation of resources from the public health system. That has dramatically, drastically and dangerously affected the level of services in the western suburbs.

The area of particular concern to me is the neglect of psychiatric services in the west. The bill again erects the smokescreen. The government restructures boards, changes catchments, moves and aggregates hospitals, doing everything but avoiding dealing with the hard issues — the 20 per cent staff cuts to community-based services, the cuts in the number of beds and the failure to carry out preventive work. Preventive work was a key part of the job description of nurses.

People with medium range illnesses are being turned away. Assaults on staff have increased dramatically since the cuts. Seriously ill, disturbed people are let out as soon as their conditions are stabilised because of the government’s desperate need to put more people through. There is a much greater incidence of unqualified staff. Graduates just out of school and agency staff are being allocated significant responsibilities. Because agency staff are used there is no continuity and there are poor management practices. That is occurring throughout the system.

The government has cut the number of staff and the number of beds. As part of this aggregation the government is funding the Western Hospital to run the Footscray Psychiatric Centre. In a situation where there is demand for more than 100 per cent occupancy of all the beds and services, there is 85 per cent occupancy, so there has been a 15 per cent cut.

The minister recently announced that $7 million would be spent on capital works. The government will relocate beds. When the system is crashing to the ground and is in such poor shape, all the government can do is a bit more aggregation, move a few beds around and try to create a bit more smoke and dust to hide the true situation while the community suffers. It is an appalling state of affairs.

We now have the wonderful management initiative that the emergency reception area of the Western Hospital can receive psychiatric patients. Having one 24-hour location will achieve economies of scale. It is probably not a bad idea — until you move all the beds 20 kilometres in each direction. What an extraordinary management decision! It is called aggregating and then disaggregating, so the system effectively suffers dysfunction as a result of its essential components being shifted.

After the Premier’s whistlestop drive around the hospitals the government’s answer was to establish boards. It will pay a few of its mates anything from $15 000 to $60 000 to sit on the new boards and do the sorts of jobs skilled representative community volunteers have done for generations. It will pay hacks, cronies and people with dreadful conflicts of interest to help manage our hospitals.

One of the new appointees brought in to help run the Western Hospital — it is an Elizabeth Proust appointment all over again — is Mr Sherman, a director of Advent Management Services, a capital investment company. As reported in the press, he talked about his work:

As a director of Benchmark Mutual, a company which owns 12 private hospitals ...

He could call on plenty of experience! That will be great experience in the new aggregation challenge as hospitals that were originally set up to care for people are turned into places that just measure unit throughputs and volumes and follow formulae rather than responding to people’s needs.

Mr Sherman replaces people like Dr Thoms, a respected member of the board for 20 years. That means he was appointed back in 1973-74 — that well-known Labor government back in 1973-74 would have appointed him! Mr Sherman replaces the likes of Bert Stevens, an eminent scholar, private school administrator and educationalist in the western suburbs. He had been there for 20 years, too, but he was out, as was solicitor Patsy Toop from Williamstown.

These are well respected people with local knowledge of the community needs and networks who are skilled in the medical profession. They are being replaced by private sector numbers people who have conflicts of interest and whose net contribution will be to accelerate the privatisation process, turning hospitals into hamburger factories as they just increase the throughput.

What sort of accountability or measurement will be applied? What sort of commitment has been made to this new system? This bill takes people’s rights away and gives enormous centralist, Eastern Europe-type power to the minister. What sort of accountability does the bill provide for? Some people are able to justify increased government power if there is a
publicly accountable and transparent commitment that produces results at the other end. However, the bill provides:

To the maximum practicable extent, the state will ensure the provision of public hospital services equitably to all eligible persons, regardless of their geographical location.

The government has obviously failed in that. If the community of the western suburbs seeks some sort of redress or accountability it will find none, because the bill also says in proposed section 17A(3):

Nothing in this part gives rise to, or can be taken into account in, any civil cause of action.

Those responsible cannot be held legally accountable for any commitments, that is, if there were any. There are no performance targets or commitments to an outcome to which we can hold this wonderful new system accountable.

Proposed section 650 states:

Nothing done under this division gives rise to any cause or right of action or application before any court or tribunal.

There is no accountability and there are no rights. The community of the western suburbs, which has been subjected to extraordinary cutbacks, has no redress. Despite their extraordinary efforts the staff have been pilloried as ‘unworthy’ unionists. Industrial organisations are mercilessly attacked by this government. Do the staff have any rights as they desperately go about trying to keep the system going? Does the community have any rights? The answer is no. That is a very clear feature of the bill. It moves power to the centre. It gives power to the minister and withdraws it from the community. There is no balance in this bill. It is all take from the community and no give. There is no give and no commitment.

There are some doozy ministers in this place, but in an operational sense the performance of this minister has been the worst of any for communities in the western suburbs. Members of the opposition frequently assess the relative performance of ministers we shadow, and this minister has to be the worst. I shadow a doozy, but this is the worst. Competition is close between this minister and the Minister for Education. This minister is so bad the Premier has had to placate her. The Premier should redraft this bill, go back to his advisers and speak — —}

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

Debate adjourned on motion of Dr NAPTHINE (Portland).

Debate adjourned until later this day.

JOINT SITTING OF PARLIAMENT
Royal Melbourne Institute of Technology
Deakin University
Swinburne Institute of Technology

The DEPUTY SPEAKER — Order! I have to report that the House, this day, met with the Legislative Council for the purpose of sitting and voting together to choose members of the Parliament to be recommended for appointment to the councils of the Royal Melbourne Institute of Technology, Deakin University and the Swinburne University of Technology, and that the Honourable Gerald Barry Ashman, JP, MLC, the Honourable David Mylor Evans, MLC, and Ms Sherryl Maree Garbutt, MP, were recommended for appointment as members of the Council of the Royal Melbourne Institute of Technology; Mrs Ann Mary Henderson, MP, the Honourable David Ernest Henshaw, MBE, MLC, and Mr John Francis McGrath, MP, were recommended for appointment as members of the council of Deakin University; and Mr Phillip Neville Honeywood, MP, the Honourable Robert Stuart Ives, MLC, and Mr Noel John Maughan, MP, were recommended for appointment as members of the council of Swinburne University of Technology.

LAND (MISCELLANEOUS) BILL

The DEPUTY SPEAKER — Order! As the required statement of intention has been made pursuant to section 85(5)(c) of the Constitution Act 1975 I am of the opinion that the second reading of this bill requires to be passed by an absolute majority.

Second reading

Debate resumed from 11 May; motion of Mr COLEMAN (Minister for Natural Resources).
Mr DOLLIS (Richmond) — What a riveting debate this will be! As the minister said in his second-reading speech, the Land (Miscellaneous) Bill provides for the revocation of the permanent reservations of three areas of land as set out in the schedule: Harding Park and land at Langwarrin and Ballarat. The opposition will not be opposing the revocation and wishes the bill a speedy passage through the house.

Harding Park is located on the corner of Bellarine and Brougham streets in Geelong in a prime location in the heart of Geelong and close to the water. It falls outside the area in Geelong referred to as the Baylink development area. However, it is immediately adjacent to this area and the value of the land will be affected by that development.

The land in question is approximately 3000 square metres in area and has been used as a car park since the 1960s. The condition of its use as a car park by the government of the day is that it be free parking.

We are informed that the old valuation was in the vicinity of $1.7 million. It was thought that the City of Greater Geelong might like to purchase the land, but there has been no approach to date and we are informed that there are no current applications to develop the land. A brief history of the land might enlighten members who are interested in this bill.

It has been managed by the City of Geelong since 1886. The City of Geelong has resisted any attempts to give up the management of this land in the past. The removal of the reservation will enable the land to be sold on an open market and a price of approximately $2 million might be fetched. It is unlikely to remain a car park even if the City of Greater Geelong does not purchase the land.

I wish to make the point that there is no real urgency to sell the land at this time. To do anything within that particular area maybe described as a premature move. It would be better if the council or any private developer to take into consideration what is happening and what is going to develop in that area. Already there are plans for a number of restaurants and function rooms which will generate a demand for parking greater than that which will be provided.

The Deakin University site and the transport interchange will both generate considerable activity and movement of people in the foreshore area as well as a demand for car parking. Every day of the week the car park is fully occupied servicing employees of the business district. On the weekend it is fully occupied because it is in a tourist precinct and there are a large number of visitors participating in yachting, historic vehicles, speed trials and so on.

In planning terms it does not make any sense to dispose of the land at this stage, and to do so will be described as premature. Therefore, I suggest to the government that, although it should go ahead with the revocation of the reservation of the land, it does not have to immediately proceed with the sale of the land in question and may take into consideration further developments together with the City of Greater Geelong.

The Langwarrin land is approximately a 0.3 hectare slice of a 2 hectare conservation reserve. It is 31 metres by 100 metres long and was intended for the purpose of widening the Westernport Highway. That work is part of the Better Roads program and will be purchased under that program. The opposition supports the revocation.

The Ballarat land is situated off Gillies Street Ballarat and is known as the Lake Wendouree Caravan Park. It will continuing with that operation. The City of Ballarat will buy the land in question — an area of 6.7 hectares. The council has indicated its willingness to purchase the land and have it operated by a commercial operator. The opposition does not oppose the revocation.

As we have indicated in the past, the revocations are driven by the Department of Finance largely as a revenue-gathering exercise and the revenue from the sale of the land should not go into general revenue coffers: it should be taken into consideration when the area is further developed.

As agreed prior to the commencement of the debate, I am within my 7-minute limit and I conclude my remarks.

Mr COLEMAN (Minister for Natural Resources) — I thank the honourable member for Richmond for his concise summary of the legislation and the speed with which he was able to deal with it.

The DEPUTY SPEAKER — Order! As the required statement of intention requires that this bill be carried by an absolute majority and there are not 45 members present I ask the Clerk to ring the bells.

Bells rung.
Because we live in Victoria, an area that is used to drought, we really need to understand that water is a precious resource that needs to be looked after.

Successive governments have attempted to look after the resource. You only have to look at the size of the Water Act to realise just how much governments have had to work on the management of water.

Often I have thought that all people who live in Australia — and particularly in our own state of Victoria — should spend some time living in a rural area. Many of us here have had that experience.

An honourable member interjected.

Ms MARPLE — Yes: Bendigo, Benalla and Ballarat. The reason I suggest that is that they have lived out in farming areas, as I have done, and as I know the Leader of the Opposition has done, and been reliant on tank and dam water. If they had they would never again brush their teeth and leave the water running or do anything to waste the precious resource that they had to collect themselves and closely monitor. We have been fortunate to have had many experienced people in positions to guide the various federal, state and local governments to ensure that we look after our resource in the best possible manner.

Earlier today the house debated a bill relating to the protection of catchment areas close to Melbourne. I am always grateful to those before us who tried to ensure that we looked after those catchment areas and protected the water in the way that we have. Our water is a vital ingredient in the quality of our life and the economic viability of the state. It is important that we look after every aspect of the delivery of water to the people of Victoria. I suggest that is a responsibility honourable members should take seriously.

I turn now to the Water (Amendment) Bill, which is supported by the opposition. The purpose of the bill is to free up the trading of water rights, enable the transfer of bulk water entitlements and allow some direct interstate trading.

At this stage I should like to thank the minister for arranging the briefings for the opposition. The minister provided that assistance on very short notice after it was decided to debate the bills together. I must say it was a very thorough and informative briefing. At the briefing the opposition was led to believe there had been much consultation
among those people concerned. Since then I have talked to the Victorian Farmers Federation and others and learnt that that has been the case. I was surprised to learn that although consultation with the VFF is written into the principal act it is not actually part of this bill, even though the VFF has asked for that to be done. For that reason I have circulated an amendment that will be moved during the committee stage to provide for consultation with the Victorian Farmers Federation and with any other body that is associated with the various areas to be taken into account.

I suspect the reason why the minister has not thought to include the VFF in this bill is that the government does not like to deal with unions. The word 'union' cannot even be mentioned in government circles. This government does not like using the terms 'social justice' and 'community'. Those words are all banned. Although the VFF would certainly not view itself as a union perhaps that is the reason why it did not get a look in on this amending bill.

The minister’s second-reading speech certainly set out in detail everything that people would want to know about this bill. I shall touch on a couple of the points made in that speech. The minister said:

The main purpose of the bill is to make improvements to the provisions in the Water Act 1989 concerning bulk water entitlements and water trading.

The minister points out that significant economic and environment benefits will result and the opposition agrees with him. He also states:

Much of the water is expected to come off some very salinated farmland, and removal of irrigation from the worst of these areas will ameliorate environmental problems.

The Council of Australian Governments has identified the development of tradeable property rights in water, with adequate flows reserved for the rivers, as critical to reform of the water industry.

The second-reading speech sets out clearly all the important areas to be covered by the bill. A couple of those should be noted. The first is the temporary transfers of sales water. The minister states:

People with water rights are allowed to buy extra sales water in proportion to their base entitlements, up to a maximum allocation set each season.

The second is the temporary transfers interstate by irrigators. He states:

At the Council of Australian Governments Victoria agreed to facilitate interstate trade where this is socially, physically and ecologically sustainable. This situation does not exist at present.

Those are very worthwhile aims and the bill is heading in the right direction. However, there are some concerns between Victoria and New South Wales:

New South Wales irrigators claim that Victorian red tape is stopping water reaching New South Wales. However, Victoria should not be rushed into unrestricted trading...

For the above reasons, until tight caps on usage are in place and market-distorting subsidies are eliminated, a very limited arrangement for interstate trade is proposed. The third is the transfers from interstate.

A few requests were made this season for water to be transferred from New South Wales to Victoria, and if at some time in the future Victoria were suffering very dry conditions compared with New South Wales, trade this way across the border would be important.

The act does not make any provision for water to be transferred into Victoria so the bill will rectify that.

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drainage schemes for farm supply purposes. It will provide mechanisms for the local management of small rural water supply systems, such as the Tungamah waterworks and stock and domestic system, which are not able to be run economically or efficiently by authorities. I travelled to Tungamah school many, many times. The area has good waterholes and children from many of the local schools still go for swims in them.

The purpose of the Water Industry (Amendment) Bill is to extend the power to charge a service fee for water supply and sewage disposal throughout Victoria, to mandate a right to open access to the water distribution system for the potential benefit of bulk users and to make the necessary provision because of the abolition of the Rural Water Corporation. The bill shifts basic charges away from the property-value base and hence further severs a link with the capacity to pay. That is of some concern to members on this side of the house.

Mr Steggall — You started to introduce it, but you changed your mind.

Ms MARPLE — I understand that, but the provision in the bill is a little different. The opposition is concerned that the bill goes much further than the changes put in place for metropolitan Melbourne. Those charges were introduced gradually and took values into account, so there was not that shock that country people will possibly have with the change. The service charge will largely be at the discretion of each water authority and could be based on whatever criteria is decided upon. That is fine, but the worry is that that may not be done in a manner that would take into account those who are less able to cope with dramatic change. It is suggested that it could easily be a flat charge or based on the size of the pipe servicing the property.

The right to negotiate bulk rates is partly to correct the monopoly situation created with the break-up of Melbourne Water which means retailers can currently prevent large users from negotiating directly with the wholesaler for annual water entitlements. This bill requires the retailers to make their distribution network available at a negotiated fee. In the case of a dispute the minister can intervene. That illustrates one of the problems created by the break-up: it allows large users to negotiate better deals than users with less market muscle and does nothing to encourage conservation or recycling of water. In other words, it favours heavy users.

I understand the minister and others, as well as members on this side of the house, have been looking to the changes in the Water Industry (Amendment) Bill, which will result in better water conservation. However, the opposition has strong reservations about whether that will be the case. It believes that strong equity and conservation considerations in rural Victoria are such a problem that it should oppose the bill.

As a result of the last round of amalgamations there are now 18 rural water authorities in Victoria. Prices for water and sewerage services vary considerably from place to place and from authority to authority, as do the systems determining how water and sewerage services are paid for. For example, the residents of Daylesford face a problem with the cost of water.

Mr Steggall interjected.

Ms MARPLE — I know, but the fact is that there is a difference in their pricing. I know there have been some problems that brought that about, but there are other examples and other problems.

There is a problem when consumption-based charges cannot be calculated in those areas without water meters. That is justified environmentally but there are some economic problems in that there is a certain amount of water that people must use and when flat rates are used this causes problems.

The bill provides for the levying of service charges by water authorities, as I mentioned earlier, which are intended to replace the rates based on property value. That will be either a flat fee or a charge based on the diameter of the pipe connecting the property to the rest of the scheme, but that does not necessarily reflect the cost of delivering the service.

We are worried that any shift from property-based charges either to an increased proportion of consumption-based charges or to a fixed supply fee, as proposed by the legislation, will favour those better able to pay at the expense of the poor. That is a problem that needs to be considered.

We believe the legislation does not specify what the level or type of charge will be. We are concerned that the 18 rural authorities that are appointed by the government will no longer be subject to the same degree of local control as they have traditionally been. We are all well aware of those elections that used to be held!
There are some concerns about what has been called the toilet tax or the sewerage charge, which does not apply to commercial properties. Because the toilet tax applies to households there does not seem to be any logical reason for it except to look after the people that the government believes should be looked after in comparison with those who are less able to pay.

A provision in the bill allows Melbourne Parks and Waterways to charge for access to parks without reference to the minister, which perhaps is a further devolution of the minister’s responsibility, but it is of great concern to those people who over a lifetime have had access to parks. Most people will be concerned about charges being put in place when they believe the parks belong to the taxpayers.

There are problems with the provision for the appointment of chairpersons of water authorities. This provision is included because the original act provided for the appointment of chairpersons when the authorities were created, but not at any other time. Perhaps this would have created these positions for life, and that is not necessarily the sort of thing that we want to see continue.

In conclusion, I again point out that water is vitally important, and it is also important that we debate these bills even if it is late at night. The opposition supports the Water (Amendment) Bill, with some amendments that have been foreshadowed by the opposition, but it does not support the Water Industry (Amendment) Bill.

Mr STEGGALL (Swan Hill) — The honourable member for Altona has made an interesting contribution. I believe the opposition is supporting the Water (Amendment) Bill but not the Water Industry (Amendment) Bill. The two bills are a further step in the government’s work towards a better and more manageable water structure in rural water areas and metropolitan water systems.

The Water Industry (Amendment) Bill amends the Water Industry Act to allow a service charge to be made and to provide a clearer picture for service and usage charges for water, which the opposition has trouble with. We all have some concerns about the changes that are being introduced in these areas because over the years the charges for the use of water have been so out of kilter that it is difficult to get an equitable and reasonable water charging system with a conservation aspect that people want so that they will value water and not waste it. However, our system has got so far out of gear over the years that it is difficult for any government to do that.

The former Labor government commenced the journey of the user-pays system of water provision, and this government has continued the journey. It is not an easy one, and I understand honourable members’ concerns about it. We have had to grapple with that over the years, but I believe on balance that most opposition members would agree that a user-pays system on water will have more beneficial outcomes over the next 10 or 15 years, particularly in the Melbourne area, as the issue of water conservation will become an important part of the way we manage and operate the most valuable natural resource we have, the water system.

As the second biggest city in Australia, Melbourne has a magnificent water catchment area and a well-organised and well-managed water system. The changes to the water industry will protect the conservation values of water catchments and will help to increase the awareness of the importance of careful water usage during the next 20 or 30 years. People must appreciate how valuable water is to their society.

Some years ago a study examined Melbourne’s water usage this decade and into the next century. Fortunately, some of the changes implemented by the Water Act started to take effect and Melburnians have begun to use their water more wisely. Economic planners are now realising that industries that use vast quantities of water should be located in rural areas, which will have the effect of conserving the quality drinking water of Melbourne and reducing the sewage disposal problems involved in the development of large cities. Water authorities will be given a number of choices in relation to charging arrangements for water services. That will improve the community’s understanding of water use.

The Water Industry (Amendment) Bill introduces a system of water trading. This process is understood in country communities, but is not so well understood in metropolitan Melbourne. It is hoped it will assist developers and large water consumers to purchase water entitlements.

The bill will abolish the Rural Water Corporation and allow the five regional boards to become separate authorities with responsibilities for rural service delivery. The corporation took over the administration of water delivery from the former Rural Water Commission, which, in turn, was
established to take over the responsibilities of the former State Rivers and Water Supply Commission. The commission did everything asked of it by government regarding the maintenance of streams and rivers and water usage by rural Victorians. As I said, the functions of the Rural Water Corporation will be handed over to the five regional boards of the corporation with residual public policy functions transferring to the Department of Conservation and Natural Resources.

Many people said the former State Rivers and Water Supply Commission was the best thing that ever happened to this country. It certainly played a significant role in the development of rural Victoria and it is only in the past 15 years that governments have changed the way in which the state’s water system is managed. We have moved away from a centralised system to a system where the costs associated with the delivery of rural water supplies must be accountable. The abolition of the Rural Water Corporation marks the end of an era. I hope the changes will be reflected in greater local autonomy and enable a more efficient and equitable distribution of water.

One of the important roles of the Rural Water Corporation has been the ongoing management of ground water. The government will establish a skills-based State Groundwater Council to provide comprehensive advice on ground water management. The end result should be a more acceptable structure for ground water management because the many changes to the water system have meant that we have not kept pace with ground water issues. The council will have an important role in ground water management during the next few years.

The Water (Amendment) Bill will reform water trading to ensure that rural people understand how water will be transferred between irrigators and water authorities, and so rural Victorians will get best value from the water system. The Water Act did not allow private diversions to be included in the bulk entitlement system which put that system out of kilter. The Minister for Natural Resources will be given power to initiate and define bulk entitlements and irrigators rights. The minister will also be able to intervene in the process where necessary. It will put in place a system of bulk entitlements that will lead the way throughout the world because it will enable the better utilisation of our water resources.

The interstate trade of water has caused some problems in the past, especially in the trade of environmental water. However, it helped in understanding the demands for traded water. The bill will allow for temporary transfers of traded water, which means that irrigators will be able to transfer water on an annual basis. I will be interested to see how New South Wales deals with the water-charging mechanism and the subsidies it has in place.

Ms Marple interjected.

Mr BILDSTIEN — The member for Altona suggests a Labor government may do it. Using her words I suggest the rotten Labor government will probably attack the subsidised water regime in New South Wales — and Mr Ken Baxter’s shift to New South Wales will almost certainly assist the process! Whichever way the New South Wales government goes it will have to deal with the irrigators if it is to gain control over its water trading.

The legislation allows irrigators to transfer water interstate. However, those water sales will be credited against the Victorian entitlement pool. People transferring water from Victoria into New South Wales will be at a disadvantage compared with those trading water in Victoria. The minister’s approval will be needed, because he will have the power to refuse transfers. The legislation gives us the opportunity to see whether a workable system can be put in place. It also allows water to be traded between New South Wales and Victoria and between South Australia and Victoria, something we have not previously done. That will clarify the issues surrounding the trading of water back into Victoria.

This legislation is the next stage in cleaning up water trading issues. That has been a hallmark of the government and has resulted in huge investments in Victoria’s food industry. The mobilisation of water rights throughout Victoria means the industry will now be able to trade water in high-use areas. We are seeing huge investments in the horticulture and dairy industries, which are both high-value areas for Victoria. One of the most important discoveries we have made is that our food processing industry is closely aligning itself with our irrigation areas so that in future droughts of the type we are just coming out of will have a minimal effect on the industry.

Over the past year investment in food processing in both Queensland and some parts of New South Wales has dropped due to the lack of supply for local food processing works. In Victoria the losses have been minimal because most of our food
processing industries have had the insurance of being able to source their product from Victoria's irrigations areas. The legislation will allow even better and more flexible investment arrangements.

Our farmers are only starting to understand their water transfer entitlements. Our rural areas have not yet fully utilised the advantages they have through managing the high-value assets the water rights represent. The legislation will help them do that. It will give confidence to people wishing to invest in those high-value products. Victoria is renowned for its fresh and processed product sectors, which is where most of the future production of high-value products will occur. Asia, Japan and China are becoming interested in Victoria's fresh produce. The only place in Australia where you can see evidence of the large-scale investment I am talking about is in the Murray and Goulburn valleys.

I welcome the support of members of the opposition for the Water (Amendment) Bill, but I am sorry they could not support the Water Industry (Amendment) Bill. We understand the major problem the opposition has with the Water Industry (Amendment) Bill is that we are going one step further than the Labor government was prepared to go in 1989. In the long term even the people of Keilor will be happier, because they will have a far better understanding of the use and value of water in the metropolitan area. The bill will also benefit non-metropolitan areas, a number of which already have similar forms of user charges; but the major benefits will be felt in the metropolitan area.

I welcome the legislation and wish it a speedy passage.

Mr MAUGHAN (Rodney) — I support this important legislation because it has enormous implications for farming industries and, in particular, for the area of northern Victoria that I represent. I congratulate the Minister for Natural Resources and the honourable member for Swan Hill on the enormous amount of work they have done over many years to bring it to fruition. It is enlightened, landmark legislation, and I am pleased to support it.

The Water Industry (Amendment) Bill deals with urban water authority trading after winding up of the Rural Water Corporation. Like the member for Swan Hill, I too will shed a tear when that organisation ceases to exist. It has a fine tradition of improving agriculture in Victoria. The Rural Water Corporation, or the old State Rivers and Water Supply Commission, has much to be proud of in contributing to the growth of the state.

I will confine my remarks to the second and most important part of the Water (Amendment) Bill, pointing out the importance of irrigation to the electorate of Rodney and the dairy industry in particular. As the honourable member for Swan Hill said, irrigation has ensured continuity of production and has given our primary industries the stability they need. That in turn has led to enormous investment in the food processing industry. All the major food processing companies are in my electorate — the Murray Goulburn company, Bonlac, Kraft, Nestlé, Pacific Dunlop and Henry Jones DKL, or Smuckers as it is now called, which has recently increased its investment in the region. As the member for Swan Hill also said, those companies are prepared to invest in northern Victoria and its important value-adding food processing industry because they can be assured of a continuous supply of raw materials.

This legislation has enormous implications, not just for farmers, not just for urban authorities, not just for northern Victoria, but for Victoria’s economy.

The legislation essentially deals with water entitlement and trading and the concept of bulk entitlement, which is a new concept that tries to balance the demands for a very scare resource. Australia is one of the driest continents in the world so water is an important resource that is divided between the irrigator, the urban authorities and the environment. Therefore, bulk entitlements are an important part of this legislation.

Another important part is irrigators’ rights and, even more importantly than that, is the trading of those rights. This year we engaged in a bit of interstate trading. I am delighted to see that will be continued, but under strictly controlled conditions. As we have discussed before, irrigators in Victoria have grave concerns about the trading of water from Victoria to New South Wales until such a time as New South Wales has a similar system of cost recovery as we do in Victoria. We have a different system from New South Wales; we have a much greater security and for that our irrigators pay a much higher price in water. Therefore, if water is to be transferred to New South Wales, that premium price needs to be paid. That is dealt with in this legislation, and I commend the minister on that.

I also commend him on enabling trading to come the other way. Even this year there was a demand for
allowing water to come from New South Wales to Victoria because there are landowners who own property on both sides of the river, who at times want to transfer water from one side to the other.

This legislation has been well discussed with farmers, who have said they are happy with it. If and when water is to be sold to another state, the irrigators want to be informed, want to be consulted and want to have some input into the sale of water interstate. I make that point on behalf of a number of my constituents who have phoned me and expressed their concerns that they should have consultation before water is sold interstate.

I am delighted to support this legislation because it is an enormous step in the right direction. It is going to make for far more rational use of water in the state, particularly in northern Victoria. I congratulate the minister for getting the legislation to the stage where it will now pass through the house and become law.

Honourable members interjecting.

Mr MAUGHAN — And, I will not forget Kerang because that is also a very important part of the irrigation industry. In conclusion, I welcome the legislation. It will make an enormous contribution to this state, especially northern Victoria.

Mr COLEMAN (Minister for Natural Resources) — The Water Industry (Amendment) Bill and the Water (Amendment) Bill have been debated together with the concurrence of the opposition. In that sense we have received contributions of some meaning from the honourable members for Altona, Swan Hill and Rodney.

As has been pointed out in the debate, what we are seeing is an industry of transition. For some eight or nine years now we have focused the community’s mind on water conservation issues. In these two bills there is a continuation of that thrust to try to get into place a set of bulk entitlements, which will ensure that the best use is made of storage water, and then to put into place a trading arrangement, not only between individuals, but also between authorities and, in this instance, interstate.

During the process of creating these bills the opportunity was taken to put into place a ground water policy for the state. It will see the creation of a ground water council — not necessarily set out in these two bills, but by government decision — established. That itself will deal with another major area of water, which is urgently in need of further administrative change to make best use of that very valuable resource.

I should like to add the government’s thanks to the people who have served on the Rural Water Corporation, its predecessor, the Rural Water Commission, and its antecedent, the State Rivers and Water Supply Commission, which served this community very well for a long period of time. It provided the storage and distribution systems which will continue to stand us in good stead. The people who have been associated with those three organisations, as they go around the community today, will be able to see in place the implementation of their policies and capital works projects, which have enhanced our way of life.

Equally, we say to people who have taken positions on the rural water regional boards that their challenge still remains. In time to come as we move further into these water administration arrangements they will equally be able to serve their respective regions.

I had hoped that the opposition would be able to support both these bills because, as has been pointed out in the debate, the Water Industry (Amendment) Bill carries on from where the previous government had pointed the direction of the water industry. As we all recall, that started some time ago in 1981 when the Public Bodies Review Committee of this Parliament carried out investigations into the water industry in Victoria that resulted in a reduction from the more than 400 authorities that existed then in 1981 to distribute water in the state to only 18 today.

Mr Gude — Streamlined management.

Mr COLEMAN — Streamlined management. Obviously the beneficiaries of that will be the customer base in Victoria. Part of that transition has seen us move from the inequitable property-valuation basis for charging for water to a situation where we are charging on a consumption base. In terms of conservation issues that is a dramatic step because it simply says to each household that you have the capacity to control the use of water that comes into your residence. Given the sense of equity, that is a very good outcome.

One of the issues is in the Water Industry Act is a new arrangement for access. It is proposed that organisations that wish to purchase water and distribute in urban areas will be able to purchase
part of a bulk entitlement, distribute it, and charge the individual residences for that water.

The Water Industry Act was introduced into Parliament last session. What it will mean is that the three distribution companies in Melbourne will be able to sell their saved water — —

Mr Hamilton interjected.

Mr COLEMAN — You’re myopic, that’s the problem. There will be water savings; water is being saved simply because the people of Victoria recognise that it is in their benefit to save it. Those saved volumes will only be sold and the beneficiaries will be the consumers in each of those regions. This access arrangement ensures that we are getting the best use of the volumes of water that are available and that it is also able to be distributed by — —

Mr Hamilton interjected.

Mr COLEMAN — Look, this is not electricity, right? This is water. I don’t know when you put your finger in the three-point plug, but let me say this: if you want to have a suck of water, this won’t hurt you! Right? This is not electricity, this won’t hurt. What we will see through this process, both of reducing the number of authorities, providing competition in the service through access charges and making sure that the pricing is adjusted to consumption, is that benefits will flow and will continue to flow.

I am sure that as time goes on more changes will be made. As has been said, this is a suite of amendments that will be of significant benefit to the industry and in the long term will benefit consumers as well. That is the aim of the government: to try to ensure we have the most cost-effective service in place, one that operates to the benefit of consumers rather than to the benefit of the organisations that distribute it.

WATER (AMENDMENT) BILL

Second reading

The SPEAKER — Order! The question is:

That this bill be now read a second time.

House divided on motion:

Ayes, 59

McNamara, Mr

Maughan, Mr

Napthine, Dr

Paterson, Mr

Perrin, Mr

Ferton, Mr

Pescott, Mr

Penich, Mrs

Phillips, Mr (Teller)

Plowman, Mr A.F.

Plowman, Mr S.J.

Reynolds, Mr

Richardson, Mr

Rowe, Mr

Ryan, Mr

Smith, Mr E.R.

Smith, Mr L.W.

Spry, Mr (Teller)

Seggall, Mr

Stockdale, Mr

Tanner, Mr

Tehan, Mrs

Thompson, Mr

Traynor, Mr

Treasure, Mr

Turner, Mr

Wade, Mrs

Weideman, Mr

Wells, Mr

Noes, 24

Loney, Mr

Marple, Ms

Micallef, Mr

Mildenhall, Mr

Pandazopoulos, Mr (Teller)

Sandon, Mr

Seitz, Mr

Sercombe, Mr

Sheehan, Mr

Thomson, Mr
Motion agreed to.

Read second time.

Committed.

Committee

Clauses 1 to 9 agreed to.

Clause 10

Mr COLEMAN (Minister for Natural Resources) — I move:

1. Clause 10, page 8, line 13, omit "(c)" and insert "(d)".

2. Clause 10, page 8, line 19, omit “not” and insert “at levels of value as at a date before 30 June 1990 or at levels of value as at a date after 30 June 1990 but at no time before that later date was there in force for the purposes of that Act a valuation of that land”.

3. Clause 10, page 8, line 21, omit “(c)” and insert “(d)”.

4. Clause 10, page 8, line 22, omit “that” and insert “the”.

5. Clause 10, page 8, after line 25 insert —

“(c) if the valuation of that land in force for the purposes of the Local Government Act 1989 immediately before that commencement is at levels of value as at a date after 30 June 1990 but at any time before then the valuation of that land in force for the purposes of that Act was at 30 June 1990 levels of value — the net annual value is, subject to paragraph (d), the net annual value as shown in the valuation at 30 June 1990 levels of value;”.

6. Clause 10, page 8, line 26, omit “(c)” and insert “(d)”.

7. Clause 10, page 8, line 31, after “value” insert “as”.

Amendments agreed to; amended clause agreed to; clauses 11 to 25 agreed to.

Clause 26

Mr COLEMAN (Minister for Natural Resources) — I move:

8. Clause 26, page 29, line 9, omit “(c)” and insert “(d)”.

9. Clause 26, page 29, line 10, omit “that” and insert “the”.

10. Clause 26, page 29, line 9, omit “(c)” and insert “(d)”.

11. Clause 26, page 29, line 10, omit “that” and insert “the”.

12. Clause 26, page 29, after line 13 insert —

“(c) if the valuation of that property in force for the purposes of the Local Government Act 1989 immediately before that commencement is at levels of value as at a date after 30 June 1990 but at any time before then the valuation of that property in force for the purposes of that Act was at 30 June 1990 levels of value — the net annual value is, subject to paragraph (d), the net annual value as shown in the valuation at 30 June 1990 levels of value;”.

13. Clause 26, page 29, line 14, omit “(c)” and insert “(d)”.

14. Clause 26, page 29, line 19, after “annual value” insert “as”.

Amendments agreed to; amended clause agreed to; clauses 27 to 37 agreed to.

Reported to house with amendments.

WATER (AMENDMENT) BILL

Committed.

Committee

Clauses 1 to 21 agreed to.

Clause 22

Ms MARPLE (Altona) — I move:

1. Clause 22, page 19, after line 20 insert —

“(6) In determining guidelines under this section, the Minister must consult with the Victorian Farmers Federation and with any other body that an Authority that has a prescribed irrigation district requests the Minister to consult.”.

This amendment is in accordance with the request of the Victorian Farmers Federation, which sees the need for an agreement on consultation. The VFF wrote to the opposition indicating it had consulted with the government. Although it appreciated that consultation, the VFF felt consultation should occur with the government as a matter of course and that this clause should be amended accordingly.
We were pleased to take up the request of the VFF. I hope the government will support the amendment.

Mr COLEMAN (Minister for Natural Resources) — The negotiations for these interstate transfers consisted of an undertaking provided during the sale earlier this year of 20,000 megalitres of environmental water. They involved the Victorian Farmers Federation and a range of other organisations with an interest in this interstate trading arrangement.

The honourable member for Altona has moved this amendment, but had the government received advice about that we may have been able to deal with it more expeditiously. Section 229 of the Water Act sets out how the organisations directly affected by new allocations should be consulted. In a sense, the concept of consultation with the VFF is already enshrined in the Water Act.

We should consider investigating what is already in place for consultation with the VFF and what is proposed in the amendment. Perhaps while the bill is between here and another place we could consult with the VFF and the opposition to see if we need provide the additional security for the irrigation community.

At this stage I propose that the amendment should be rejected, but that consultation should occur while the bill is between here and another place to establish if the act does not already deal with the question raised in this amendment.

The CHAIRMAN — Order! This amendment will test the remaining amendments standing in the name of the honourable member for Altona.

Amendment negatived.

Clause agreed to; clauses 23 to 45 agreed to.

Reported to house without amendment.

WATER INDUSTRY (AMENDMENT) BILL and WATER (AMENDMENT) BILL

Remaining stages

Passed remaining stages.

Remaining business postponed on motion of Mr GUDE (Minister for Industry and Employment).

ADJOURNMENT

Mr GUDE (Minister for Industry and Employment) — I move:

That the house do now adjourn.
Melton Highway

Mr CUNNINGHAM (Melton) — I raise a matter for the urgent attention of the Minister for Roads and Ports in another place and ask the Minister for Public Transport to pass it on to him. The concerns, which I raise in two parts, result from the increasing population in the Melton, Sydenham and East Melton areas generally and in the Melton township.

Firstly, there is concern among members of emergency services operating in the Melton community that the Melton Highway, which has been traditionally known locally as the Keilor-Melton Road, is being confused by some motorists and emergency service organisations with the Western Highway. The matter was directed to my attention by members of the Melton unit of the Country Fire Authority, which has been concerned for some time that there are no highway signs indicating that the Keilor-Melton Road is the Melton Highway. The hardworking CFA organisation in Melton, a great band of volunteers under the leadership of Captain Steve Hirt, not only carries out fire-prevention and firefighting functions but also provides a road accident rescue service and has the respect of the local community. The CFA volunteers are concerned that the lack of identification of the Melton Highway will result in slower response times by emergency service organisations.

A number of years ago the emergency services raised the same matter with me regarding the western end of the electorate. The Bacchus Marsh end of the electorate — that includes Deep Creek cutting and Anthony’s cutting, which was of concern also because of the mountain in between — was creating problems for emergency operations. That problem has now been fixed. Emergency services now request signage at both ends of the electorate, leading from Melton to Sydenham, and signage on the intersections of all roads feeding into what is now called the Melton Highway.

The second part of the problem concerns the 20 000 vehicles using the Melton Highway, creating traffic flow problems; accidents have been occurring. A divided highway is needed. The million-odd dollars spent on passing lanes over the past four years is not sufficient. Accidents are still occurring in this problem area. I ask that the Minister for Roads and Ports consider signage of the Melton Highway to assist emergency services and consider funding a divided highway in the interests of road safety for our local community. The traffic flow of 20 000 vehicles per day would justify that expenditure.

Psychiatric services: Echuca

Mr MAUGHAN (Rodney) — I wish to raise with the Minister for Health the retention of visiting psychiatric services in Echuca. The minister will remember visiting Echuca Regional Health and Echuca Community Health. Both provide excellent services in the Echuca area. Echuca Community Health in particular delivers a wide range of mainly preventive services. With its budget of $204 000, it is a cost-effective organisation delivering services for children, families and adolescents; it delivers psycho-geriatric services and most importantly psychiatric services.

Some five or six years ago I became involved in this area when Echuca lost its visiting psychiatrist, a Dr Liz Lewis, who went back to further studies. Her excellent service was lost to Echuca. The visiting psychiatrist was not replaced for some time but two psychiatric nurses were subsequently appointed. While that filled the gap for a while and certainly was a welcome improvement, there was still no visiting psychiatrist service.

Mr Hamilton interjected.

Mr MAUGHAN — This was under the previous government. It was an outrage! Clients were required to go to Bendigo to visit a psychiatrist.

More recently, a Dr Samir Ibrahim has been appointed as visiting psychiatrist. He has built up a strong following in the Echuca area. He is supported by two community psychiatric nurses and an occupational therapist. Dr Ibrahim visits on a regular basis, visiting at least once a week and providing an excellent service. The two psychiatric nurses each have a caseload of 40 to 50 clients.

There is a move to have Dr Ibrahim return to fill the gap at Bendigo. I am concerned that the Minister for Health make some inquiries to ensure Dr Ibrahim’s services are retained in Echuca. It is an important service for a wide area, covering Cohuna, Tongaia, Koyuga, Rochester and surrounding areas.

A large number of people depend on this service in the Echuca area. Therefore, I ask the minister to use her best officers to ensure Dr Ibrahim’s services are not lost to the people of Echuca.

Planning: Mont Park precinct

Ms GARBUIT (Bundoora) — I raise for the attention of the Minister for Major Projects in
another house the development of the Mont Park precinct. The community wants some reassurance on plans to develop that precinct. A master planning process has been under way for about two years now. A reference group has been making recommendations regarding that process, but there have been no results and there has been very little feedback.

Now a contract has been let for the gardening around the precinct. That is important because there are grasslands of regional significance and revegetated areas that need sensitive mowing and maintenance. No-one knows what is in the contract or for what period of time it extends. That is important because most site services seem to have a limited time for remaining on that site.

Local conservationists who have worked with the gardeners and recognised their expertise and knowledge wanted them to be chosen for the contract. They believe there is a serious danger of environmental damage if the contract provides just for a cheap slash-and-burn approach. Decisions about the Bundoora Repatriation site appear to have been made before any master plan has been approved or seen. That sort of piecemeal approach would undermine the whole purpose of the master plan process.

A third concern is the action of the ULA in its development of Gresswell Grange, which is part of the precinct. Great damage was done to the wetland when trees were felled and a road was built to carry heavy machinery and equipment. The water control ponds were built without gypsum being put in place to stop clay leaching into the La Trobe University wildlife reserve. An enormous amount of clay has leached into the wildlife ponds. It is clear that adequate supervision and instruction have not been given to the ULA on this site.

The local community is anxious to see the environmentally sensitive areas — Gresswell Hill, the forest and the grasslands — protected from development, but there has been no agreement to that, despite the master plan process. The conservationists want the historic buildings protected, but there have been no reassurances on that. Finally, they want adequate time for public consultation when the master plan finally appears and an acknowledgment that their views will still be able to influence government plans when they are finally put on display. They do not want things suddenly unveiled with no opportunity to comment on the whole master plan because the community will not have seen it.

Melbourne: Cretan Greek community statue

Mr THOMPSON (Sandringham) — I raise with the Minister for Ethnic Affairs, on behalf of Mr Bruce Ruxton and a number of members of the Cretan Greek community of Melbourne, a decision by the City of Melbourne not to allocate space for the location of a statue donated by the Cretan Greek community of Melbourne symbolising Australia’s association with the Cretans during the Second World War. The statue would be at no cost whatsoever to the City of Melbourne or the Victorian community. Its objective is to symbolise the fighting, side by side, of Australian and Greek soldiers during the Second World War. Mr Bruce Ruxton of the RSL has pointed out that Australians fought alongside only a couple of other nations in foreign arenas, including Greece and America.

The Public Art and Acquisition Committee of the City of Melbourne originally responded by saying it was not appropriate to support a memorial for a particular group or section of the community. It went on to say that subjects would be limited to individuals or associations that were strongly linked to Melbourne and its history. I point out that 781 Australian soldiers, many of whom came from Victoria, lost their lives in the Battle of Crete in 1941. In addition, some 3000 Australian soldiers were taken captive.

Many Australians who returned to this country as a result of the assistance given to them by Cretans have a debt of gratitude they have wished to repay to the Cretan community over many years. A fine example of a memorial developed by a soldier is located at Margaret River, Western Australia. The soldier named it Prevalli, after the monastery to which the priest who had helped him escape from the Germans in 1941 belonged.

There is a very strong association between Australia and Greece. Some 67 000 Greek-born nationals out of more than 200 000 Greek-speaking people now live in Victoria alone. I seek the assistance of the Minister for Ethnic Affairs in taking the matter further to see whether a site can be found for the statue. Perhaps the statue could be located in the Lonsdale Street precinct and there serve to honour Greeks and Australians having fought side by side.
One of Australia’s greatest generals, George Vasey, fought in Greece during that time and it was remarked that he was a man of great compassion. He stands as one of Australia’s greatest soldiers. I ask the Premier to look into this matter.

Nillumbik: employment contracts

Mr HAERMeyer (Yan Yean) — I raise a matter for the attention of the Minister for Police and Emergency Services concerning an issue that arose yesterday in the Shire of Nillumbik. The Honourable Pat Power in another place raised a question for the attention of the Minister for Local Government this afternoon relating to some of the industrial relations issues arising from this matter.

Yesterday all of the staff at the Shire of Nillumbik walked off the job because of an unreasonable memo put out by the commissioners in relation to working conditions at the Shire of Nillumbik. The industrial relations implications of that need to be addressed by somebody else. What really perturbs me is that one provision of the memo requires that Nillumbik shire employees who are members of the State Emergency Service (SES) and the Country Fire Authority (CFA) have to provide 48-hours notice for any duties carried out on behalf of the SES and the CFA.

In this particular area we have many excellent CFA brigades, notably Panton Hill, which lost a crew member during the Ash Wednesday fires, Diamond Creek, Plenty, Arthurs Creek and Hurstbridge. Also the Eltham SES brigade is one of the most highly regarded in the state.

It is fair to say that with the CFA’s 50-year history in Victoria it has developed into what is probably the best volunteer fire-fighting service in the world. The SES, which is of a more recent history, is certainly developing a distinguished history along similar lines. The dedication and commitment of the volunteers to these organisations should certainly be cherished. It is incumbent upon the minister to remove any obstacle that is thrown in the way of these volunteers. I ask the minister to advise as to whether this attitude manifested by the government-appointed commissioners in Nillumbik is condoned by the government and, if not, will the minister intervene to ensure that CFA and SES volunteers in the Shire of Nillumbik are able to carry out their duties without the impedence of these unreasonable requirements placed on them by the commissioners.

United Energy: blackouts

Mr LEIGH (Mordialloc) — I bring a matter to the attention of the Minister for Energy and Minerals relating to power problems in the Dingley community which is an area covered by part of my electorate since the election and redistribution when I replaced the honourable member for Springvale who used to cover that area — he did not do too much. In recent times there appears to have been some problems with blackouts. It seems to me that local ALP members are at it again with their claims that because we changed the name to United Energy that is causing the power blackouts. That is the mentality of Labor. I am seeking an assurance from the minister that we can investigate the matter.

The friend of the honourable member for Springvale and former ministerial adviser and AWU official, my opponent, is running around the electorate spouting all this nonsense. It is very interesting that it was an AWU official who did all the investigation with Theiss for Melbourne Water and as a result of that took a job with Theiss. The community is entitled to know what this lady received as part of this arrangement.

Mr Micallef — On a point of order, Mr Speaker, I point out the custom and practice you, Mr Speaker, have introduced in asking honourable members that they at least have the courtesy to point out the issue they are raising in relation to government business when they raise an issue for response by a minister.

I have heard the member speak for about 2 minutes and he has not said what he wants the minister to do in relation to government business. It has nothing to do with ALP —

The SPEAKER — Order! I understand the honourable member for Mordialloc was raising a matter with the Minister for Energy and Minerals about blackouts in certain areas of his electorate.

Mr LEIGH — Can I go on with this, Sir: the fact is that in the past the honourable member for Springvale did nothing in this area. Last week he was at it again over me. It is a disgrace! You were drunk at the bar last week and now you have again —

Mr Micallef — On a point of order, I did not represent the Dingley area —

The SPEAKER — Order! There is no point of order. The honourable member will resume his seat.
Mr LEIGH — What I seek from the minister is some assurance that he will look at the matter, which is of great concern to the community. The honourable member for Springvale is blacked out all the time, but we have had 12 hours of blackouts.

Honourable members interjecting.

Mr Micallef — On a point of order, Mr Speaker, I have had 12 blackouts in my area as well. I am very upset with the service given by United Energy. I ask the minister to take —

The SPEAKER — Order! The honourable member for Springvale will resume his seat. Stop the clock. I advise the honourable member for Springvale that vexatious and mischievous points of order in order to stop a member from raising a matter are out of order.

Mr Micallef interjected.

Mr Haemeyer — On a point of order, Mr Speaker, you raised the issue of vexatious points of order. May I point out to you, Sir, that the honourable member for Mordialloc is probably the most vehement repeat offender in this place when it comes to those types of points of order. I suggest that needs to be taken on board.

The SPEAKER — Order! It is noted.

Mr LEIGH — Can I say, Sir, that if you check the Hansard reports you will find that I make very few points of order in this chamber.

The SPEAKER — Order! That was an explanation and not a point of order.

Housing: departmental contractors

Mr LEIGHTON (Preston) — I raise through the Minister for Planning for the attention of the Minister for Housing in another place the issue of whether public housing maintenance contracts are being enforced, especially in the Geelong area.

I have been advised by one subcontractor who has done work for the Department of Planning and Development that there has been a shift from having a series of individual contracts, such as those for the painting and plumbing of houses, to having one major contractor who is required to employ tradespeople directly instead of letting the work to subcontractors.

Last week the Minister for Housing in another place was asked whether, with the shift to these types of contracts, the conditions of the contracts are being enforced. He replied that whatever the conditions of the contracts were, the department would be required to enforce them and that if the honourable member who had asked him the question had any examples, she should provide them.

It has been reported to me that conditions of public housing contracts in Geelong, particularly in the Norlane area, are not being enforced. Major contractors are in breach of the conditions of the contracts by letting work to subcontractors instead of directly employing labour. It has also been reported to me that the inspector of works, John Murray, knows about the breach of the contracts but is taking no action to enforce them.

I call upon the Minister for Housing yet again to call in the inspector of works, John Murray, to ask him whether the contracts are being enforced and whether he knows of any breach of the tender requirements of the contracts that he has failed to take any action on.

Previously the inspector of works, John Murray, tipped off a subcontractor when the union complained that the subcontractor was paying cash in hand. He has turned a blind eye to shoddy work that did not comply with the specifications of the contract. He has victimised the whistleblower who has reported the incidents to me. On top of everything else, he is turning a blind eye to the breach of contract in allowing major contractors to hand the work over to subcontractors when they are supposed to directly employ those tradespeople.

It is about time the Minister for Housing called in his inspector of works, John Murray, and held him accountable on this matter. He should particularly ask him which job contracts are being breached.

Fluoridation: Wodonga

Mr A. F. PLOWMAN (Benambra) — I raise for the attention of the Minister for Health the fluoridation of water supplies. In 1973 an act was introduced into the house to enable water supply authorities to add fluoride to water supplies to reduce the degree of decay in children, particularly those up to the age of 11 years. Section 5(1) of the Health (Fluoridation) Act 1973 states:

The Health (Fluoridation) Act 1973 states:
A water supply authority may and when required by the commission —

which is now the secretary —

shall add fluoride to any public water supply under its control ...

I also refer the minister to a letter of 8 May from the senior dental officer of the Wodonga District Hospital dental clinic, which states in part:

only a small part of the local water supply is fluoridated —

that is the water supply to the City of Wodonga —

namely to Bandiana and Baranduda only (and that Bamawartha is the only place to have naturally occurring fluoride close to the desired level).

At one stage the supply was supposedly fluoridated —

fluoridation to a level of 3 ppm produces a highly beneficial strengthening of the developing dental tissue of children which case studies have indicated can produce up to a level of a 60 per cent decrease in the occurrence of dental decay.

It is important to note that in the conclusion of her letter she says:

... prevention is preferable to cure.

Any person with knowledge of fluoride in town water supplies knows the benefits it gives to children and to their long-term dental health. If fluoride is in the water supply that children up to the age of 11 years use, the increase in their dental health will stay with them for the rest of their lives.

I ask the minister not only to support the recommendation of the senior dental officer that fluoride again be reintroduced into the water supply of Wodonga, but also to examine the provision under the original act:

A water supply authority may and when required by the commission shall add fluoride to any public water supply under its control.

I request the minister to further investigate this matter on behalf of the Wodonga community.

Freeways: tolls

Mr PANDAZOPOULOS (Dandenong) — I raise for the attention of the Minister for Public Transport, as the representative in this house of the Minister for Roads and Ports, the admission finally from the government that a tollway will be charged as part of the Melbourne City Link Authority changes to our road system, which will also affect the South Eastern Arterial.

My constituents are concerned about what the tollway will mean for them. They know they have already been slugged with a doubling in motor registration and a 3-cent petrol levy, with little of those funds having been spent in my electorate, and now they are being slugged by a tollway.

It is accepted that the toll is likely to be $5 for a one-way trip or $10 for a return trip. The vast majority of people in my electorate do not travel to Melbourne regularly so they will not be affected by peak-hour periods, which occur for about 3 hours a day. That leaves 21 hours a day that is not considered to be peak period. During that time it normally takes me 30 to 40 minutes to drive from my home to Parliament House. I timed it this morning and it took me 30 minutes, 22 minutes of which was spent on the freeway. The government has had little discussion or debate with people who travel on the South Eastern Arterial during off-peak periods and who do not use the arterial regularly.

The SPEAKER — Order! Will the honourable member state what action he wants taken?

Mr PANDAZOPOULOS — Although they do not use the freeway often there has been no discussion about the time saving a toll road would make. It is likely to save only 2 minutes on a trip to the city.

Dr Napthine — On a point of order, Mr Speaker, the honourable member has been speaking for 2 minutes. You have already reminded him that his remarks should seek ministerial action. The adjournment debate is not the time to give a speech. The honourable member's remarks must seek administrative action to be taken by a minister.

The SPEAKER — Order! I have heard sufficient on the point of order. I ask the honourable member to state the action he requires to be taken.

Mr PANDAZOPOULOS — Some points of order are vexatious. The fact is the government is trying to
impose a heavy toll burden on the people of my electorate. There are 20,000 vehicles in my electorate.

The SPEAKER — Order! The honourable member’s time has expired. I remind the honourable member for Dandenong that in future he must make his intentions clear within the time frame. I shall give some consideration to the developing practice of vexatious points of order.

Responses

Mrs TEHAN (Minister for Health) — The honourable member for Rodney referred to a visiting psychiatrist at the Echuca Community Health Centre, which I had the privilege of visiting recently with him. It is part of an excellent coordinated health service combining aged, psychiatric, acute hospital and, of course, primary care. The honourable member directed my attention to the fact that funding of $204,000 for work at the centre is mainly for preventive health and, over the past few years, has consisted primarily of psychiatric nursing.

Fortunately, in recent times a psychiatrist, Dr Ibrahim, has been able to attend the Echuca Mental Health Community Centre once a week to provide services to Cohuna, Rochester and areas around Echuca. I understand Dr Ibrahim works with the Bendigo Mental Health Centre and goes to Echuca on a visiting basis. The honourable member referred to prevalent concerns that because of needs in the Bendigo area there might be a move to have the psychiatrist brought back to service only the Bendigo area. As he rightly points out, this would be a loss to the people of the Echuca district who have now come to expect and appreciate the services of Dr Ibrahim, the visiting psychiatrist.

It raises a number of matters: the first is the shortage of psychiatrists, especially those practising in public psychiatry in country areas. It is of great concern to the government, and we hope that one of the advantages — and there are many — of mainstreaming our psychiatric service into the general hospital system is that we will be able to both attract and hold psychiatrists to practise more readily in the public area. We need to look at ways of enticing and holding psychiatrists to practise in rural Victoria.

I am sympathetic about the matters raised by the honourable member for Rodney. I can understand the appreciation of the people he represents have of the services Dr Ibrahim brings to them and I will certainly make some inquiries and do what I can to address the matters that the honourable member has raised with me.

The honourable member for Benambra similarly raised a matter of preventative health of a different sort but equally important when he asked that I and the department give support to the replacement of fluoride in the Wodonga water supply. As honourable members would know, probably one of the major preventative public health issues in recent times has been the success of fluoride in the water supply which has impacted on the reduction of dental decay in children’s teeth. There is no doubt that fluoride has had a marked effect on dental health.

One has only to look at our generation, which spent days, months and years going to dentists in comparison with our children who either take fluoride tablets or are the beneficiaries of fluoride in the public water supplies. I and my department strongly support the use of fluoridation as a preventative measure against dental decay. I give my unequivocal support to the dental officer at the Wodonga District Hospital who seeks to have fluoride in the Wodonga public water supply.

I will also take up the other suggestion of the honourable member that we look at the provisions of the Health (Fluoridation) Act 1973 which we understand enables the Secretary of the Department of Health and Community Services to request that fluoride be added to a water supply. My colleague the Minister for Natural Resources has similarly indicated that he sees value in having fluoride in the water supply and does not believe this cost would be great. I support the honourable member for Benambra in his efforts to have fluoride reintroduced to the Wodonga water system and I will examine the powers of the secretary to advance this matter.

Mr MACLELLAN (Minister for Planning) — I was tempted to ask the honourable member for Preston to provide a stamped, addressed envelope for his regular weekly attack on one John Murray, whom I hasten to add I do not know, but I understand he works for the Department of Planning and Development in the Geelong area.

The honourable member for Preston seemed concerned that John Murray has turned a blind eye to contractors employing subcontractors rather than employees — —
Mr Leighton interjected.

Mr MACLELLAN — As I said, the honourable member seems to have a fixation about Mr Murray and seems to be concerned that Mr Murray has been turning a blind eye to contractors employing subcontractors rather than employees.

Mr Leighton — In breach of the contract!

Mr MACLELLAN — The distinction between a subcontractor and an employee is extremely technical and is one that courts and industrial tribunals have spent much time analysing. They often come to the conclusion — and the Transport Workers Union would be only too pleased to tell the honourable member — that owners who drive trucks can also be contractors and employees, even at the same time.

The certainty that the honourable member for Preston brings to the issue would escape people such as the honourable member for Albert Park, who has legal training. I am sure if the honourable member were to seek advice from the honourable member for Albert Park he might realise that.

He asks the Minister for Housing to invite John Murray to travel from Norlane to Melbourne to meet with the minister so that he can ask him some questions — namely, whether he is turning a blind eye to contractors or enforcing the contract. If the answer were, 'No, he was not turning a blind eye and was enforcing the contract', I am not sure whether the honourable member would want to take it further. However, for reasons best known to himself he wants John Murray and the minister to meet, which is the point of the matter he raised. That is the reason I suggest the honourable member provide a stamped envelope from his part A electoral allowance to relieve the department of the expense during his continual feud with John Murray in which he makes judgmental criticisms of the way he acts and condemns him without giving him a hearing.

Obviously the honourable member has a network of informers or whistleblowers, as he would put it, or whatever word he might like to describe it, who have their ears to keyholes and their eyes open. They have come to some conclusion about the actions of this person that has led the honourable member to come to that conclusion.

The honourable member has gone over the proper limits accorded a member of Parliament by using this place to name and damn an employee of the public sector. He has come to a judgment that the man is guilty. I assume that, although he invites the minister to interview John Murray or ask some questions of him, he is really saying he will not be satisfied until it is concluded that he is right. In other words, he is asking the minister to agree with his judgment.

I am perfectly willing to raise the matter with the minister, as I always try to do for the honourable member. I shall be only too delighted to carry forth this continuing saga of the honourable member for Preston and John Murray and direct it to the attention of the Minister for Housing. I am sure the minister will give careful consideration to the recommendations the honourable member has made and will probably reject them.

Mr BROWN (Minister for Public Transport) — I have been asked to refer two concerns to my colleague the Minister for Roads and Ports in another place. The first was raised by the honourable member for Melton and the other by the honourable member for Dandenong. However, they came to their problems from completely different viewpoints.

In effect the honourable member for Melton is congratulating the government — they were not his words — because he wants better signage for his area. It is a clear indication that the public transport system in this area is operating well because people want better directions than existed during the 10 years of Labor administration. Vicroads prides itself on the way it handles these matters. For many years it has been proud of the way it has put signage on bridges. I shall refer the honourable member's problem to the Minister for Roads and Ports because I know Vicroads is keen to ensure, so far as is practical, that the community is well served with adequate, easy-to-read signage.

The state is on the move. Under the coalition government a raft of improved services has been provided out that way, be they schools or whatever. I will happily take up the honourable member's request. He so supports roadworks that he included even more of them in the request he made on behalf of his constituents. It was a positive request by an opposition member — and, might I say, a positive member of the opposition! I will never understand why they want to get rid of him. I assure him I will refer the matter to the Minister for Roads and Ports.
I cannot say the same about the member for Dandenong. I do not know where he is now, but he has certainly been left with it hanging out! He has even put a price on it — $10! The honourable member for Dandenong claimed his constituents do not want the south-eastern freeway improved — some say ‘freeway’ but most say ‘car park’. He is not the only member of this house whose electors use the south-eastern and Mulgrave freeways regularly if not daily. The same applies to people living at the extremities, including the areas I represent in South Gippsland, from Phillip Island right through to areas such as the well-serviced electorate of Berwick, which is well represented by my ministerial colleague the Minister for Planning — and I could go on.

The people I speak to, local members and their constituents, all urge the government to get on and fix up the mess the Labor government caused by building the horrific south-eastern car park. This government has introduced some excellent services in many parts of the state, including the Nightrider buses to Dandenong. Some passengers want to go to destinations such as the Santa Fe establishment! It does not matter where they are travelling to; if they use the Nightrider buses they will get there safely for a flat fare of only $5 — with no toll. That is all it costs to travel from Dandenong to the heart of the city, whether to well-frequented nightclubs or the library in the heart of the city or the shops. But the common theme is that they all want the freeway fixed up.

This government will fix up the so-called freeway and do away with all the intersections that so often force motorists to come to a grinding halt and wait for traffic lights to change — which I have to do every time I come into the city from my electorate. One wonders what the Labor Party’s next bid will be in its scare campaign on the issue of tolls. The government has not even announced a toll structure, yet tonight the Labor Party has suggested it will be $10.

I will say this: let us judge the credibility of this member by what the government will ultimately announce some weeks from now about the tolls, if they are introduced on this freeway or any other. He has made a clear statement that the toll will be $10. So, let us wait and see because this government does not go off like the Labor Party, half cocked — this government does its homework. It announces its policy at the right and proper time after the work and research has been done.

The honourable member slunk out of the house and was not present for any part of the answer to his question. I will say on that point that he is known for what he is: a member who is interested only in headlines. He is not a member of substance. As I said, he has not been in the house for my answer and has not been from the minute he asked the question.

I will see that this answer is communicated to his electorate because obviously he will not have the capacity or the interest to do so. Nevertheless, I will put on the public record that if anybody believes him and his claim that the toll will be $10, I suggest they should think twice, or some would say they should have their heads checked. In the future when the toll decision is finally made, if there is a toll on that section of the freeway, we will judge him by what he said tonight: that the charge will be $10.

Mr S. J. PLOWMAN (Minister for Energy and Minerals) — The honourable member for Mordialloc raised concerns with me about statements made by the ALP candidate for Mordialloc about power failures in the Dingley area. These statements are part of the obfuscation of truth being used by ALP members, particularly the Leader of the Opposition when trumpeting around the countryside what terrible things are happening in Victoria because of the restructuring of the electricity industry.

The ALP candidate seems to have a belief about how power failures are caused in the area. I shall quote the Moorabbin Standard of 31 May:

> She said she was concerned the reason for the blackouts was the number of maintenance workers made redundant when United Energy took over from the SEC.

This ALP candidate for Moorabbin is an ALP apparatchik. She was a senior ministerial adviser to the Kirner government. I advise the house and the member for Mordialloc that the ALP candidate for Mordialloc, being a senior ministerial adviser during the Kirner government period, should recognise and acknowledge that the period when the largest ever number of people went out of the SEC was the period the Labor Party was in office. It reduced the number of employees in the SEC from more than 22 000 to 11 000.

If the ALP candidate for Mordialloc is trumpeting that this reduction in the numbers of people working in the structure is the result of restructuring and the result of people going out of the electricity
industry, she might bear those figures in mind because the reduction in numbers is a direct result of the government to which she was a senior ministerial adviser.

An Honourable Member — She has her wires crossed!

Mr S. J. PLOWMAN — Yes, she has her wires crossed. Her comments were either ignorant or intentionally misleading comments aimed mischievously at misinforming the people of Moorabbin and Dingley. If one looks at what happened from 25 October 1994 to 25 May 1995 one finds there have been 10 power failures, two of which have been equipment failures. With any equipment, no matter what equipment it is, you would have to expect some failures over that period of time.

There was one human error. Somebody connecting lines inadvertently tripped a switch and caused a power failure for 11 minutes. There were two planned outages for maintenance of equipment. The honourable member for Yan Yean said that equipment needed maintenance. Those were two planned outages and a minimum of four days notice was given in each case to the people of the area. Two cars hit electricity poles and caused electricity blackouts, which is hardly the fault of United Energy. Three possums were caught in wires, which is also hardly the fault of United Energy. The honourable member for Mordialloc must represent a rural electorate because not only did three possums become caught in wires but one crow caused another power blackout by shorting wires.

The list shows that only the equipment failures might be sheeted home to United Energy. Clearly United Energy is making every effort to improve its customer service and to better the record of the SEC. If one looks at the averages over the years, one sees that United Energy is certainly not falling behind the SEC in maintaining supply in an area — in fact I think it is improving on the SEC.

The ALP candidate for Moorabbin seems to believe the restructure of the SEC has something to do with it. I commend to her a newspaper article that appeared on page 7 of the Age of 22 February, which says:

Mr Brumby also gave a clear signal that the ALP policy would not call for the restoration of the old SEC. He admitted that while he opposed the splitting of the SEC, he approved of the government’s initial break-up of the SEC...

That seems to be in contrast to the statements being made by the ALP candidate who, as a former ministerial adviser, simply ought to know better. As I said, her comments are either ignorant or intentionally misleading. Perhaps before jumping into print she could check with United Energy to get some facts or, better still, check with the honourable member for Mordialloc, who gets his facts right and represents his electorate in a way that is a credit to him.

Mr COLEMAN (Minister for Natural Resources) — The honourable member for Sandringham raised for the attention of the Minister for Ethnic Affairs a statue to be erected by the Cretan community in Lonsdale Street. Obviously the intent of the community is to try to reflect as best it can the past association it had with Australians serving overseas. I will direct the matter to the attention of the minister. The honourable member for Sandringham has a continuing relationship with the Greek community — he has in fact married into it. The matter is obviously of interest both to his immediate family and to the broader community.

The honourable members for Bundoora and Yan Yean raised matters for the attention of the Minister for Major Projects and the Minister for Police and Emergency Services. I will ensure those issues are raised with them.

Motion agreed to.

House adjourned 12.15 a.m. (Thursday).
ting of the Legislative Council and the Legislative Assembly

Wednesday, 31 May 1995

Royal Melbourne Institute of Technology

Deakin University

Swinburne University of Technology

Honourable members of both houses assembled at 6.16 p.m.

The CLERK — Before proceeding with the business of this joint sitting it will be necessary to appoint a President of the joint sitting.

Mr KENNEDY (Premier) — I move:

That the Honourable John Edward Delzoppo, JP, MP, Speaker of the Legislative Assembly, be appointed President of this joint sitting.

Mr BRUMBY (Leader of the Opposition) — I second the motion.

Motion agreed to.

The PRESIDENT — Order! The rules having been adopted, I am now prepared to receive proposals from honourable members with regard to members to be recommended for appointment to the council of the Royal Melbourne Institute of Technology.

Mr KENNEDY (Premier) — I propose:

That Gerald Barry Ashman, JP, MLC, David Mylor Evans, MLC, and Sherryl Maree Garbutt, MP, be recommended for appointment to the Royal Melbourne Institute of Technology council.

They are willing to accept the appointments if chosen.

Mr BRUMBY (Leader of the Opposition) — I second the proposal.

The PRESIDENT — Order! Are there any further proposals?

As only three members have been proposed I declare that Gerald Barry Ashman, JP, MLC, David Mylor Evans, MLC, and Sherryl Maree Garbutt, MP, have been chosen to be recommended for appointment to the Royal Melbourne Institute of Technology council.

The PRESIDENT — I am now prepared to receive proposals from honourable members with regard to members to be recommended for appointment to the Deakin University council.

Mr KENNEDY (Premier) — I propose:

That Ann Mary Henderson, MP, the Honourable David Ernest Henshaw, MBE, MLC, and John Francis McGrath, MP, be recommended for appointment as members of Deakin University council.

They are all willing to accept the appointments if chosen.

Mr BRUMBY (Leader of the Opposition) — I second the proposal.

The PRESIDENT — Are there any further proposals?

As only three members have been proposed I declare that Ann Mary Henderson, MP, the Honourable David Ernest Henshaw, MBE, MLC,
and John Francis McGrath, MP, be recommended for appointment as members of the Deakin University council.

I am now prepared to receive proposals from honourable members as to members to be recommended for appointment to the Swinburne Institute of Technology council.

Mr KENNETT (Premier) — I propose:

That Phillip Neville Honeywood, MP, the Honourable Robert Stuart Ives, MLC, and Noel John Maughan, MP, be recommended for appointment as members of the Swinburne University of Technology council.

They are willing to accept the appointments if chosen.

Mr BRUMBY (Leader of the Opposition) — I second the proposal.

The PRESIDENT — Are there any further proposals?

As only three members have been proposed I declare that Phillip Neville Honeywood, MP, Robert Stuart Ives, MLC, and Noel John Maughan, MP, be recommended for appointment as members of the Swinburne University of Technology council.

I now declare the joint sitting closed.

Proceedings terminated 6.23 p.m.
The SPEAKER (Hon. J. E. Delzoppo) took the chair at 10.05 a.m. and read the prayer.

PETITION

Thursday, 1 June 1995

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

Privatisation

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

The humble petition of the undersigned citizens of the state of Victoria sheweth that the planned selling off of the SECV, Melbourne Water and the Gas and Fuel Corporation by the Victorian government will lead to:

1. Higher prices for electricity, water and gas.
2. Foreign ownership of Victoria's assets.
3. Cuts to services resulting from the loss of $700 million a year dividends which are paid to the Victorian government by these utilities.
4. Higher taxes to make up for the lost revenue to the state government.
5. Environmental damage resulting from private companies interested in selling more electricity, not in encouraging energy conservation and efficiency.

Your humble petitioners therefore pray that the state government immediately abandon its privatisation campaign and ensure that these services stay in Victorian hands.

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

By Mr Seitz (18 signatures)

Laid on table.

ROAD SAFETY COMMITTEE

Draft Australian road rules

Mr RICHARDSON (Forest Hill) presented report from Road Safety Committee on draft Australian road rules.

Laid on table.

STANDING ORDERS COMMITTEE

Fees for private bills

Mr JASPER (Murray Valley) presented report from Standing Orders Committee on fees for private bills.

Laid on table.

Ordered to be printed.

PAPERS

Laid on table by Clerk:


Statutory Rule under the following Act:


AUDITOR-GENERAL

Equality in the workplace — women in management

The Clerk presented special report no. 35 of Auditor-General — Equality in the Workplace — Women in Management.

Laid on table.

Ordered to be printed.

APPROPRIATION MESSAGE

Message read recommending appropriation for Stamps (Further Amendment) Bill.

ADJOURNMENT

Mr GUDE (Minister for Industry and Employment) — I move:

That the house, at its rising, adjourn until tomorrow at 10.00 a.m.

Motion agreed to.
The SPEAKER — Order! As the required statement of intention has been made pursuant to section 85(5)(c) of the Constitution Act 1975, I am of the opinion that the second reading of the bill requires to be carried by an absolute majority of the house.

Government amendments circulated by Mr STOCKDALE (Treasurer) pursuant to sessional orders.

Debate resumed from 24 May; motion of Mr STOCKDALE (Treasurer).

Mr BRACKS (Williamstown) — The opposition does not oppose this sensible amendment to the Business Franchise (Tobacco) Act. Its purpose is to prevent the avoidance of tobacco franchise fees, which it is estimated will cost Victoria between $50 million and $100 million this financial year. A significant franchise fee avoidance industry has been operating for some time, and the amending bill seeks to close a loophole. I understand further legislation will be introduced in the spring sessional period to further tighten the legislation.

The problems surrounding tobacco franchise fees stem from constitutional limitations on the states, which were recently detailed in the Capital Distributors case. That arose from a dispute involving the application of franchise fees in the ACT, which has been referred to previously. The decision in that case created a significant loophole, which is being used by unscrupulous merchants to avoid paying the proper franchise impost and fees. The bill will close that loophole only partly, so further legislation will be required in the spring sessional period.

The bill introduces a system to stop the avoidance of tobacco franchise fees, including a requirement for the full licensing of tobacco wholesalers. The proposed licensing system will enable the scrutiny of franchises and wholesalers, introduce licensing conditions, including investigations prior to licence approval, and require the payment of significant fees up front. The requirement for up-front fees is an effective way of reducing avoidance. The opposition recognises the provisions are probably necessary given the constitutional limitations on state powers in this area and the current level of avoidance.

Although the legislation will stem some of the losses the opposition is not sure whether it will solve the problem entirely. The government has also recognised that problem, which is why in his second-reading speech the Treasurer foreshadowed further legislation.

Some provisions in the bill are draconian. Great care needs to be taken in their implementation to ensure that reasonable business people are not treated unfairly or have their rights inappropriately affected. Inevitably catch-all measures of this type inadvertently affect business people who abide by the rules. The opposition does not oppose the closing of the loophole but urges that the provisions be applied with due care, given that the majority of industry operators adhere to the proper arrangements.

The level of franchise fees is a broader issue. It is also topical given the government's decision to increase the franchise fee to offset the expected $100 million loss in revenue caused by its following the Queensland government's lead in reducing the stamp duty on share transactions. The opposition will not oppose the amendment proposed to achieve that end because it wants Melbourne to remain the financial capital of Australia. It believes the government must take every step possible to ensure the revenue and financial institutions bases of Victoria are protected.

However, it is anticipated that the increase in fees could raise approximately $160 million, considerably more than the $100 million required to cover the loss of stamp duty on share transactions. Although the opposition does not oppose the measure, particularly because it should lead to a reduction in smoking, it questions whether the increase in revenue is appropriate. It also questions whether the government considered hypothecating part of the proposed increase for anti-smoking initiatives, particularly that part of it over and above what is necessary to cover the loss in stamp duty on share transactions.

Although the opposition supports the overall proposal to increase the tobacco franchise it hopes that, if there is a capacity over and above meeting the revenue hole created by the Queensland decision, consideration will be given to further measures to reduce the use of cigarettes and the consumption of tobacco in Victoria.

It is interesting to note that when the New South Wales and Victorian governments announced the
alternative revenue-raising measure of increasing the price of cigarettes by around 60 to 80 cents a packet to compensate for the loss of stamp duty there was an increase in the number of people calling the Quitline. They said, 'Now is the time to think about reducing our tobacco intake or giving up cigarettes altogether'. So there is a price-sensitive element to the smoking issue. As prices increase the consumption level drops. The day after the government announced the increase in the tobacco franchise the Herald Sun noted that almost 1000 smokers called the Quitline. They were certainly inspired by the notion that their hip pockets would be affected.

I assume the Treasurer remembers that the proposed increase in revenue from the tobacco and business franchises is an estimate. It is hard to tell how price-sensitive cigarettes are and what amount of revenue will be gained at the end of the day. As the Treasurer says, it is fairly flat. The statistics suggest this is a price-sensitive issue but that is yet to be tested properly.

As I said earlier, the opposition does not oppose the government's attempt through the bill to close the loophole. The constitutional limitation means the loophole must be closed to net a further $50 million to $100 million in tobacco franchise that is now being avoided by industry merchants and capital distributors. We need a better licensing system and a better up-front licensing arrangement to reduce avoidance.

As I also said, the opposition does not oppose the increase in the overall franchise that will compensate the government for the loss of stamp duty on share transactions, but it is worth again making the point, as we should on any bill that deals with indirect taxes and charges — this point was made by the Treasurer in his budget speech last year and in the May economic statement — that Victoria has maintained its position as the highest taxing and charging state in Australia. So although the opposition does not oppose this proposal, it believes the level of state taxes and charges needs to be addressed. We welcome the abolition of the state deficit levy, which remained for probably two years longer than it should have, but point out that Victoria still has higher indirect taxes than any other state.

Significant expenditure and outlays can still be cut from the budget. It is a matter of priority and where you cut. Clearly in matters like consultancies and advertising it is a question of whether you really need two-page spreads on the Melbourne City Link project in the Herald Sun and the Age day after day. It all comes back to a question of priorities and the overall tax take in Victoria. Of course the tax levels need to be kept up if you want to shift priorities into pet projects. Taxes and charges are a consequence of policies, so although there is no problem with this increase, which compensates for losses in stamp duty on share transactions, the government still has the option of significantly reducing expenditure in its pet areas of consultancies and advertising, which have blown out under this government.

The Treasurer's May economic statement revealed that the only big growth area in outlays is in the Treasury portfolio, around unspecified micro-economic reform capital accounts which departments will bid for, in renovations to office arrangements at Treasury Place and Parliament Place and in the explosion of consultancies to assist in the government's privatisation program. While it is maintaining a regime of high taxes and charges the government cannot say it is doing everything it can to reduce outlays and provide tax relief to the Victorian public. It has set priorities that increase Treasury portfolio outlays. There is a projected real increase, not just in line with the CPI, in that area at the same time as restraint in expenditure in health, education, transport and other portfolios is being continued. The government still has the capacity to provide relief from taxes and charges.

The opposition does not oppose the bill, but it asks the government to take care in its application because some of the provisions required to close the loophole are harsh. It is important that reasonable business people are not unfairly treated and that their rights are not trampled on because of consequential effects of the bill. The people who are adhering to the franchise system at the moment should not be disadvantaged. The government really needs to catch the operators who are avoiding the franchise — the people in the $100 million industry out there.

The opposition welcomes the closing of the loophole and hopes this and any other similar legislation proposed for the spring sessional period achieves the aim the government has set.

Dr COGHILL (Werribee) — I wish to debate two or three specific aspects of the bill. The first deals with some of proposed section 7AH concerning the jurisdiction of the Supreme Court — the so-called section 85 provision. As honourable members will be aware, the report of the Scrutiny of Acts and
Regulations Committee has not found this provision objectionable in its purpose but it has drawn attention to a serious problem that is our responsibility as individual members of Parliament.

We are being asked to approve legislation, and particular provisions in that legislation, the meaning of which is not clear to many, if not most and perhaps all, members of this house.

I draw attention to new section 7AH(2) which reads as follows:

(2) Subsection (1) does not apply to proceedings in the Supreme Court —

(a) seeking the grant of any relief or remedy in the nature of certiorari, prohibition, mandamus or quo warranto, or the grant of a declaration of right or an injunction.

I hope the Treasurer is listening to this and that with his legal training he will be in a position to provide an explanation to the house. However, I can tell the house that a number of other legally qualified people to whom I have spoken on the matter do not know and cannot tell me what the effect is in some cases of these words, particularly the term 'quo warranto'. I have no doubt that there are learned legal authorities and learned legal counsel who know the meaning of this term. However, the Parliament is being asked to approve this component of the legislation without there being an explanation to the Parliament and without most members — perhaps all members — of this house having an understanding of what the term means.

I hope the Treasurer is listening to this point and will be able to advise the house of the meaning of these legal terms so that members will know what they are voting on and users of the legislation, particularly wholesale and group wholesale tobacco merchants, will know the effect it will have upon them.

It seems even more odd that in this day of plain English we are using foreign words which are neither English nor plain so far as users are concerned. I think I have made that point strongly enough and will not dwell on it.

I return to the increase in licence fees, the subject of the amendment that has been circulated. I make the point that if ever we needed some evidence that globalisation is affecting the operation of state government this is it, because it arises directly from actions of the Queensland government which in turn were related directly to the stamp duty fee levels applying on share transactions in international jurisdictions. If international jurisdictions were not having an impact on the Australian share trading market this issue would not have arisen. However, because international jurisdictions are now the location of some 20 per cent of the trade in Australian shares it is having a significant effect on the Australian share trading market.

Queensland decided to try to recapture some of that lost 20 per cent and to capture a significant share of Australian domestic share trading, which is now mostly in Sydney and Melbourne, by reducing its duty on share trading to approximate the level applying in international share markets — particularly, it is reported, the Hong Kong share market.

Here is just one of the many examples not only of the way the Australian national government in its
responsibilities is being affected by the globalisation of the Australian economy and globalisation of economic activity generally, but of the way these effects are flowing down to state government. That is something that we as members of Parliament must be aware of and take into account in our policy and legislative decisions.

With those few comments I indicate that I support the position put by the honourable member for Williamstown.

Mr BATCHELOR (Thomastown) — I join the debate to make a contribution on both the bill and the amendment that will be proposed. The government has moved quickly to deal with the threat to the revenue base of the state that was brought about by a reduction in stamp duty on share transactions in Queensland. In trying to stem that revenue haemorrhaging the government has the support of the opposition. The action needed to be taken to protect Victoria’s interest and financial base: it needed to be taken quickly, and it was.

However, what is of concern to me is the reasons given for bringing that about and seeking to increase the franchise rate on tobacco from 75 per cent to 100 per cent. In isolation, that action is one which the opposition does not oppose. However, I am terribly concerned at the cynical reasons that have been given for taking the action and for undertaking the steps contained in the amendment.

The proposal to increase the tobacco franchise fee from 75 per cent to 100 per cent is estimated to bring to the government some extra $160 million a year. On the other hand, the shortfall in revenue that will occur to the state because of the necessary reduction in stamp duty on share transactions that will be dealt with in another bill will see a reduction of some $100 million.

It is interesting to note that the total of this equation means there will be an additional $60 million going into state revenue over and above what was required to make up the shortfall of revenue lost because of the stamp transaction charges. These estimates have been based on facts and figures released in the media. The Treasurer has challenged the estimates put forward by the Tobacco Institute of Australia, but he will have an opportunity later to provide his estimates of both sides of the equation.

Whether it is a $60 million, $40 million or $80 million difference, the simple fact is that it is most likely that the government will obtain additional revenue by way of the tax increase provided in the bill. It concerns me that the government has used an increase of 100 per cent in the tobacco franchise fees as a general revenue grab and it is likely to produce a net increase in government revenue. It has also been suggested that the increase is necessary because of the need to maintain Melbourne’s viability as a financial trading centre. There is no doubt that it is necessary to maintain Melbourne’s pre-eminent position in share transactions, but it is equally true that the idea of increasing the tobacco franchise fee by 100 per cent is not new. It is a proposal that has been around for a long time.

People from within the health promotion area have been suggesting it for a number of years. In fact on a number of occasions they have requested that the government increase this fee.

In the wider community the people who are concerned about health issues and are charged with the responsibility of trying to prevent young people and children from taking up smoking and assisting people already addicted to smoking to quit have been suggesting for some time that there are health grounds for increasing the tobacco franchise fee, but in the past when they have sought to obtain that increase it has been rejected. Now in a cynical way the government seeks to use their support and those health grounds to justify this increase, which essentially is a revenue grab.

If the government were sincere and genuine it would have picked up these requests from the health professionals as long as two years ago when it could easily have increased the tobacco franchise fees to these levels. If the government were genuinely concerned about health issues it could have done that rather than leaving this decision until now when it is nothing more than a revenue grab and has nothing to do with health issues.

If the government had done that when the issue was raised by the health professionals it would have had a huge impact on the number of people who are currently smoking. Smoking tobacco is an addictive habit. Tobacco is a drug of addiction and, as with other drugs of addiction, it is hard for people addicted to it to break their habit. Those who are unfortunately and tragically addicted to smoking need all the help they can get. In the past Parliament has recognised that people who are addicted to smoking need assistance, not only in their interests but also in the community’s interests. It is in the long-term interest of the government that its citizens not be addicted to tobacco so that they can be as healthy as possible, because that means the general
level of health expenditure will be reduced in the long term. There are statistics and studies that have been around for a long time that attest to that simple proposition.

If the government wanted to take action to care for the health of the community it could have taken it 12 months or two years ago. If it had taken action just 12 months ago, as the health professionals and community groups requested it to do on health grounds, there would be 10 000 children who had not taken up smoking because of the impact the price increase has on adolescent smokers. The impact would have been beneficial not only to our young children but also to the people who now smoke, because many people respond to price increases — although not as many as we would like.

I remind honourable members that it is Quit Week and thousands of people are telephoning the Quitline each week trying to give up their addiction to tobacco. We hope they continue to do so. If the government’s priority was health promotion rather than a revenue grab it would have taken this initiative much earlier. If it had taken it 12 months ago 20 000 current smokers would have responded to the price increase by giving up smoking. If the government had genuine concerns about health issues as opposed to concerns about increasing its revenue it would have taken this action long ago. If it had taken it 12 months ago, 10 000 children would not have taken up smoking and 20 000 people currently addicted to smoking would have given it up. The measure could have been taken up or rejected long ago. The government is now taking it up in a cynical fashion, in a way that clearly has nothing to do with health grounds but is purely and simply a grab for revenue.

I place on record that the government has failed its health obligations and responsibilities. Certainly it needs to take steps to protect Victoria’s revenue base from the actions of the Queensland government relating to stamp duty on share transactions, but it should have taken action some time ago to protect the health of Victorian citizens, particularly our children. As I said, if the government had taken this action 12 months ago 10 000 children would have been helped by not embarking on a lifetime addiction to smoking. Similarly, if the government had taken the action 12 months ago it might have helped 20 000 people who are currently addicted to smoking to give it up.

If the government had taken the action even sooner, say two years ago, one can imagine how much healthier our community would be at the moment and into the future. From the Treasurer’s perspective that healthier population would have less reliance and call less frequently on the health budget now and in the future.

The opposition supports the foreshadowed amendment. We support the initial changes in the Business Franchise (Tobacco) (Amendment) Bill that tightened the tax evasion loopholes following the Capital Distributors case. We do not support the cynical way this government has sought to use health issues as a smokescreen to cover a new tax grab.

Mr STOCKDALE (Treasurer) — I welcome the support of the opposition and understand the basis on which it offers that support. The opposition speeches do, however, indicate that one of the unfortunate propensities of politicians is to find bases for discord even where there is agreement. I hope to show that the cynicism displayed by some opposition members is entirely misplaced, at least in this case. I would readily concede that it is not always the case that oppositions or governments act with completely holy motives. Nonetheless, I welcome the support of the opposition.

The honourable member for Werribee as a non-lawyer quite rightly raised an issue about the use of some technical terms in proposed section 7AH on page 17. One of the unfortunate features of British law is that British — and Australian — law uses as technical terms words that in their original form were Latin expressions. This is one of those cases. The words to which the honourable member referred are in fact technical terms of British and Australian law that have been, as it were, imported as part of the language of our law as well as being Latin in origin.

The reference in the relevant subsection is to what are known as prerogative writs. These are various forms of instrument available in Britain, I think, by which the superior courts oversight and ultimately control inferior courts and tribunals. I quote from Mozley and Whiteley’s Law Dictionary which I think is probably the best way of answering the honourable member. The writ of certiorari is:

An order commanding proceedings to be removed from an inferior court into a superior court for review.
The writ of prohibition is defined as:

An order to forbid an inferior court from proceeding in a cause there pending, suggesting that the cognizance of it does not belong to that court ...

Prohibition differs from injunction, in that prohibition is directed to a court as well as to the opposite party, whereas an injunction is directed to the party alone.

The writ of mandamus is defined as being:

... a command issuing in the Queen’s name, and directed to any person, corporation, or inferior court, requiring them to do some particular thing that appertains to their office and duty. In its application, it may be considered as confined to cases where relief is required in respect of the infringement of some public right or duty, and where no effective relief can be obtained in the ordinary course of an action.

The writ of quo warranto is a little more unusual. The honourable member for Box Hill and I, despite our legal experience, had not previously encountered it. Although I think he had actually heard of it, I cannot recall even having heard of it before. Its unusualness is illustrated by the fact that it has been necessary to go to a different dictionary for a definition of the expression. I quote from the Dictionary of Law Third Edition by L.B. Curzon, which defines quo warranto, relating to the British practice, as meaning:

Prerogative writ formerly issued by the King’s Bench to inquire into the authority by which a public office was held or a franchise claimed.

As can be seen, they represent a network of particular powers dealing in some cases with the quashing of orders and in other cases with requiring things to be positively done, and they provide a range of remedies that are available out of our Supreme Court to supervise the actions of inferior courts and tribunals and presumably also to cover the exercise of administrative power. They are included by the draftsmen in this case for dealing with the exercise of jurisdiction over the courts.

The bill is an anti-avoidance measure. It is, I might confess, a very strong anti-avoidance measure. Due to constitutional limitations over some time it has been necessary for not just Victoria but the states progressively to considerably tighten the administration of franchise fees, particularly the franchise fee on tobacco.

I take up the support the opposition has offered, not just to thank the opposition but to make a point to the tobacco tax avoiders that there is a very strong message for people who would seek to exploit what they perceive to be loopholes in the law from the fact that both sides of the Victorian Parliament have joined together in supporting the legislation and the opposition has not seen its role as being simply to oppose the actions of the government of the day. It has taken the responsible position of defending the law and has been, at least by inference in this case, prepared to support strong legislative action to combat people who are avoiding tobacco franchise fees, not only in the interests of the health objectives of the legislation to which honourable members referred but with the intention of protecting the interests of legitimate business operators who pay the tobacco franchise fees and taxes and operate lawfully.

I want to make explicit the message that has been given by inference by this Parliament today: the Parliament is deliberately taking strong action against those who seek to evade tobacco franchise fees. On behalf of the government I can say that is no accident and that the government will continue to take action. If this action proves to be defective in some respect or is not effective or not clearly understood by people, the government is prepared to take strong action against those who not only seek to undermine the position of operators who comply with integrity but are prepared to flout the law and engage in avoidance schemes.

I cannot speak for the opposition at any time and particularly not in the abstract when we have not defined any action, but I think the opposition has indicated it is prepared to join in taking action against tax avoiders.

I come to the comments of the honourable member for Thomastown about the rate of tax. I do not want to be thought to be churlish in contesting his argument, but let me put on record the factual position: the government has been conscious that there had have been different rates of tobacco franchise fees in various states. Of particular significance are the franchise fees applying in the states that are most relevant to Victoria. Past experience has shown that the most relevant states are New South Wales, Queensland and the Australian Capital Territory. If we allow our tobacco franchise fee to fall substantially out of line compared with the fees in those jurisdictions, we will see an evasion of the duty. People will conduct artificial transactions sourced from outside the state.
or transport goods to and from other states to evade our tobacco franchise fee, at the expense of our revenue collection — again, unlike the legitimate operators who pay the Victorian rate.

There were inhibitions on the government before the Queensland government reduced its stamp duty on share transactions. It remains a fact that Queensland applies a tobacco franchise fee of 75 per cent. As a result of the actions of the Queensland government on share transfers, New South Wales and the ACT decided to move their franchise fees to 100 per cent. That not only left Victoria with little option but to move to a 100 per cent tobacco franchise fee but actually provided the opportunity to do so without creating more scope than Queensland already allows for the evasion of the fee.

There may be some merit in the honourable member’s arguments in other contexts, but in this case his cynicism is misplaced. I hope he will accept the basis of my argument, that we have been motivated not simply by the desire to have a high tobacco franchise fee to serve health promotion objectives but to preserve the integrity of the Victorian tobacco franchise system. Had we moved last year, which the honourable member suggested, it would probably have had a negative impact on our revenue. In addition, we could have promoted evasion in other states once New South Wales and the ACT adopted the 100 per cent rate.

Queensland is the only state other than Victoria that does not have a 100 per cent franchise fee. We obviously cannot do much to move Queensland, but the actions of the New South Wales and ACT governments mean the scope for evasion has been significantly reduced. That was the basis on which the government moved on this occasion. It means we are not creating a significant new risk of evasion, although we will have to watch whether the lower Queensland rate presents us with any evasion or avoidance problems. I also say that in my press statement on the matter.

The honourable member for Thomastown also referred to the amount of revenue that will be raised. It is true that in the coming budget year there will be a small gain from the tobacco franchise fee increase compared with the loss of stamp duty on share transactions. We could have worked out whether a rate of something like 93.4 per cent would have given us exactly the right amount of revenue in 1995-96, but for two reasons that is not practicable. The first reason is that having a rate that was different from those applying in all other jurisdictions would create an increased risk of evasion. Secondly, the trends in the revenue yield from those two taxes are different.

The tobacco tax is not a growth tax. It is virtually static because it serves health promotion objectives. The consumption of tobacco products is either falling or static, as a result of which our forward estimate projections barely show a rise. On the other hand, the share transaction duty was to some extent a growth tax. Over the period of the forward estimates it was expected to grow modestly but in line with inflation, increases in property values and stock market turnover. Some benefits may flow from the reduction in the share transaction duty across Australia. It may bring increased activity on the Melbourne and Sydney stock exchanges, attracting transactions that may otherwise be conducted in other jurisdictions.

We are replacing static revenue with what was previously dynamic revenue given the projections for the full forward estimates period. The change will have a negative net effect on revenue, not only next year but for the three years after that. We expect the gains from the tobacco tax will be less than the losses in revenue caused by the adjustment in the stamp duty.

I can understand that at first blush the tobacco institute and the honourable member for Thomastown may think this is a ruse to gather additional revenue; but the growth in the share transaction duty was much stronger than the growth in the tobacco revenue in that short period. The change will have a negative revenue effect on the overall state budget. We are creating uniformity, setting a new standard rate of tobacco tax and limiting the scope for artificial avoidance schemes, which are powerful indicators of the suitability of the course the government has adopted. I point out that the New South Wales Labor government has done exactly the same thing for, I suspect, exactly the same reasons.

I welcome the support of the honourable members. I did not want to be churlish in addressing their reservations, but they are misdirected. Both parties are sending the strong message to tax avoiders that the same actions are likely to be taken by other states and that they should accept the need to confine themselves to legitimate operations that do not give them unfair or unlawful advantages over their competitors.
The SPEAKER — Order! I am of the opinion that the second reading of this bill is required to be passed by an absolute majority. As there is not an absolute majority of the members of the house present, I ask the Clerk to ring the bells.

Bells rung.

Required number of members having assembled in chamber:

Motion agreed to by absolute majority.

Read second time.

Committed.

Committee

Clause 1

Mr STOCKDALE (Treasurer) — I move:

1. Clause 1, after line 9 insert —

   "(c) to increase the fees payable for licences issued under that Act.”.

Amendment agreed to; amended clause agreed to; clauses 2 to 17 agreed to.

New clause AA

Mr STOCKDALE (Treasurer) — I move:

2. After clause 11 insert the following new clause —

   “AA. Fees for licences

   (1) In section 10(1) of the Principal Act for "75 per centum” (where three times occurring) substitute "100 %".

   (2) Section 10(1) of the Principal Act as amended by sub-section (1) of this section applies to licences issued under the Principal Act for a licence period commencing on or after 1 August 1995.

   (3) Section 10(1) of the Principal Act as in force immediately before the commencement of sub-section (1) of this section continues to apply to licences issued under the Principal Act for a licence period ending on or before 31 July 1995.”.

New clause agreed to.

Reported to house with amendments.

Third reading

The SPEAKER — Order! I am of the opinion that the third reading of this bill requires to be passed by an absolute majority. To ascertain whether an absolute majority exists, I ask the Clerk to ring the bells.

Bells rung.

Required number of members having assembled in chamber:

Motion agreed to by absolute majority.

Read third time.

Remaining stages

Passed remaining stages.

STAMPS (FURTHER AMENDMENT) BILL

Second reading

Mr STOCKDALE (Treasurer) — I move:

That this bill be now read a second time.

The bill amends the Stamps Act 1958 to give effect to the government’s announcement on 29 May 1995 that stamp duty on listed marketable securities will be halved from 1 July 1995.

As honourable members will be aware, the government has taken this action after consultation with the other states and territories in response to the pre-emptive move by Queensland to halve its duty. It was obvious that all jurisdictions, but especially New South Wales and Victoria, had no option but to match the Queensland move if they were not to suffer a considerable loss of share trading activity from Sydney and Melbourne to Brisbane. The cost to Victorian revenue of this reduction in the rate of duty is estimated at $100 million a year, which will be offset by the simultaneously announced increase in business franchise fees on tobacco sales from 75 per cent to 100 per cent bringing Victoria and New South Wales into line with all jurisdictions except Queensland.

The Victorian government has no quarrel with the views expressed by the Queensland government that Australian costs, including taxes and charges, must be competitive with those of other countries.
We do, however, continue to express concern about the manner in which Queensland introduced this change. The Goss government agreed to a deal with the Australian Stock Exchange (ASX) under which Queensland would reduce its securities duty in return for a shift of some ASX activities to Brisbane.

Queensland could easily afford such a deal for three reasons. Queensland has a secure budget position as a result of the responsible fiscal policies of previous coalition governments. Duty on marketable securities forms a negligible part of its revenue, so it was forgoing very little. It continues to be subsidised by New South Wales and Victorian taxpayers under the horizontal fiscal equalisation formula of the Commonwealth Grants Commission to the tune of $144 million in 1995-96 without having to bear any of the costs of subsidising the smaller jurisdictions such as Tasmania and the Northern Territory.

Queensland's action precluded any further efforts to persuade the commonwealth government to see this issue as one of national competitiveness and hence to place pressure on the commonwealth to examine realistically the current inequitable nature of commonwealth-state financial relations. Nevertheless, the Kennett coalition government will continue to emphasise the importance of reform in this area if the Australian federation is to operate meaningfully into its second century.

I commend the bill to the house.

Mr BRACKS (Williamstown)—The opposition supports the bill. Consistent with the position it took on the Business Franchise (Tobacco) (Amendment) Bill the opposition supports measures to compensate for the Queensland government's decision to effectively reduce the revenue base of Victoria and New South Wales—in Victoria's case by $100 million—by halving the stamp duty on share transactions, a decision the opposition does not support.

As the Treasurer states in his second-reading speech Victoria and New South Wales subsidise other states, including Queensland, to the tune of at least $144 million through the horizontal fiscal equalisation formula and grants commission arrangements. In effect, Victorian taxpayers subsidise Queensland's economy, which has for a long time been in a significant growth phase. The region extending from Queensland's Sunshine Coast to the New South Wales border is the fastest growing region in the country. It is projected to have the highest population growth in Australia and is recognised by developers and investors as a region that is attracting significant new investment, therefore providing the Queensland government with the greatest revenue raising capacity of any state in Australia.

The Queensland government continues to rely on a subsidy, through the Grants Commission formula, from Victorian and New South Wales taxpayers. Because its tax take from stamp duty on share transactions is less than Victoria's take, Queensland has tried inappropriately to grab some share activity.

Historically Victoria has been the financial capital of Australia. Certainly Melbourne has been a key financial city, housing the head offices of most financial services in Australia. Although that is changing and Victoria's position has diminished over time, to put that position as a financial capital in jeopardy is to put in jeopardy significant contributions to Victoria's economy and employment. The opposition supports this sensible amendment. It complements the New South Wales Carr government regime, so there is a consistent regime across the eastern seaboard that will, I hope, in an Australian sense not just a state sense, attract more activity to the eastern seaboard and to Victoria because of the halving of the stamp duty on share transactions. The opposition supports the revenue-raising measures the government has taken to compensate for the $100 million hole in Victoria's revenue base.

Mr STOCKDALE (Treasurer)—I thank the opposition for the support it has given the bill and its support for a process that has allowed us to act speedily in passing the bill through Parliament. I appreciate the cooperation the Leader of the Opposition has shown, as well as the honourable member who has charge of the bill for the opposition. This is part of the political consensus that has developed around these issues and I would readily identify with most if not all of what the honourable member has just said.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.
SUPERANNUATION ACTS (GENERAL AMENDMENT) BILL

Thursday, 1 June 1995 ASSEMBLY 2045

SUPERANNUATION ACTS (GENERAL AMENDMENT) BILL

Mr STOCKDALE (Treasurer) — The house will be aware that the Premier has recently assumed responsibility for this bill. Unfortunately, he is otherwise committed at present. On his behalf I advise the house, pursuant to sessional orders, that they be circulated.

Government amendments circulated by Mr STOCKDALE (Treasurer) pursuant to sessional orders.

Second reading

Debate resumed from 11 May; motion of Mr I. W. SMITH (then Minister for Finance).

Mr BRACKS (Williamstown) — The opposition does not oppose the consolidation of the disparate superannuation funds into a form that will gain a better return on the funds for the employees involved. The bill makes a number of changes to the operation of superannuation in the public sector and is aimed at reducing the number of superannuation schemes and achieving consistency throughout the remaining schemes.

Among the changes supported are the merger of the State Casual Employees Superannuation Fund with the Victorian Superannuation Fund, the transfer of employees to industry specific superannuation funds while maintaining all existing rights, and the treatment of Melbourne Water Corporation employees in the disaggregated industry.

There is a matter we would like to place on record about the Melbourne Water Corporation employees who might be affected by the bill, although the employees do not currently have a unanimous view on the matter. There is also a change in the way funds are allocated from budget departments for superannuation payments.

The consolidation of the public sector superannuation funds makes sense. It will make the system more efficient and increase returns for employees. Therefore, the opposition supports it. It makes no sense to have small schemes operating independently and trying to get good rates of return when there is a benefit for all employees in consolidation. That applies for either the inner budget sector or the outer sector, and it applies whether the employees have casual or ongoing contract arrangements.

Although the opposition supports the consolidation of the funds to make the system more efficient, it would like to ensure no benefits are lost to employees as a result of the process. One problem which has come to light and which we ask the Treasurer to refer to the Premier involves 90 employees of Melbourne Water whose concerns have been expressed to us. They wrote to the former Minister for Finance on 18 May saying:

It is understood that there are approximately 90 members who are affected by the proposed change, these being persons like myself who were transferred from the MMBW when planning and highway functions were transferred to government.

On the behalf of these people I strongly object to the government’s intention, especially since no consultation has occurred with individual members. I am unaware of the entitlements which will be affected by the transfer and the likely financial impact. Normally consideration is given to involve the affected parties and as there is 90 of us I believe this would be an easy task.

I could not agree more. I have not had a chance to scrutinise the proposed amendments but I understood there was a proposal by the former minister to incorporate in amendments the concerns of the 90 workers transferred from the MMBW to Melbourne Water. I understood their concern would be met. Certainly in the committee stage we will examine the provision to see that their request for consultation has been adequately met. If the amended bill does not achieve that we will ask the Treasurer to advise the Premier that as a matter of course no benefits should be lost by those employees. That is one matter to which we would like some attention paid.

The matters raised in this amendment bill are effectively matters that were proposed by the state opposition’s financial management paper which was adopted in October last year by the Victorian branch of the Australian Labor Party. The paper suggested similar arrangements of consolidation of superannuation funds to get the best return for employees without any loss of benefits — a regime that ensured not only that those benefits would exist, continue and be transferred but that there would be economy of scale provisions that would allow for better return on superannuation funds. Because it is consistent with our own policy, we are
pleased that the government has also come to this position.

Clearly the Premier will take on the finance portfolio overall. It is worth noting — and I am sure the Treasurer appreciates this, given his workload and the extent of his coverage — that the finance minister is really the custodian of the state’s assets, including superannuation and capital assets. It is a significant role — the old role included the Public Works Department and the Minister of Public Works — and activity of the government and deserves attention; the sort of attention that requires negotiation.

For example, a separate minister could ensure consultation with the 90 employees at Melbourne Water, and similar sorts of consultation. Even if the finance and Treasury departments were combined, which makes some sense, having separate ministerial portfolios would enable proper consultation across what is a very complex arrangement in government. This government is about reform and about trying to change some of the practices of the past, and that requires consultation and careful attention from the minister.

The opposition doubts whether the Premier would have the time, given his current responsibilities, to do the sort of work required of a finance minister with that sort of consultation. Consulting with sections of the work force in the public sector is getting into the microlevel, but it is required, particularly when people’s lives, their future entitlements upon retirement and their families’ entitlements are concerned. It is important that we have a government and a responsible minister that can account for those matters.

This is so whether the Premier continues to hold on to the finance portfolio or whether the Treasurer assumes that role — as could be the case, adding to his existing responsibilities; I am sure he would like the disposal of assets role in government and all the bushfires that are involved in that issue — or whether, as would be the preferred outcome, we have a minister responsible especially for finance who can ensure that the matters that have quite rightly been raised with the previous finance minister by employees of the previous Melbourne and Metropolitan Board of Works, now Melbourne Water, can be addressed properly and their case be heard not just by an officer within the department but at a ministerial level. It is very important that these matters be heard at a ministerial level because they go to the heart of government and the concern or lack of it that the government has about its work force. Its work force, its public assets, what it holds and what it disposes of are all important parts of government and have come around a body of government called finance, which previously had its own arrangements. So that we do not see any employees or public assets of the state disadvantaged it is important that the government — the custodian of the assets — quickly clarify the situation to ensure that the matters are handled properly and consistently. If it is about a reform process, it should have the consequential ministerial responsibility that goes with that reform. In any process of change you have to consult: that is the way it is. To try to apportion off a large slice of government activity, the finance ministry, goes to the heart of government.

Over the past two years we have seen how important the finance ministry can be to the state and how detrimental it can be to our lifestyle when it is handled badly. In the autumn economic statement the Treasurer admitted that 40 000 central budget public servants have lost their jobs and have taken voluntary departure packages under the auspices of the Minister for Finance, who I think still manages the work force management unit — I have not caught up with the transfer; I think it used to be in Treasury — and that function in government. Managing the capital requirement of the voluntary departure packages of the 40 000 employees — a significant proportion of the work force — as well as managing within the work force management unit what activities are undertaken by what public servants whose functions no longer exist is a significant responsibility. The transfer of functions, which is the core responsibility of the work force management unit, is a significant matter.

If the Premier is also to assume the mantle of the finance minister — he has done so — it will be his responsibility to account for, as is required in the autumn economic statement and under his proposal, a further 4500 public servants departing the state system by June this year. The bill requires consultation with those in the work force who have existing superannuation schemes. Those 4500 workers require recourse to a minister and a portfolio to have their concerns heard, and it is important that the ministry have ongoing responsibility.

We do not wish to make any gratuitous points on this matter. As it is consistent with its own policy, the opposition supports the consolidation of superannuation funds across the public sector, both
in a budget and out of budget in statutory authorities, and supports the better return of superannuation funds for employees which hopefully the bill will achieve. However, in doing so we urge, as the bill provides, that no employee lose any existing entitlements in the transfer of superannuation funds to the new Victorian Superannuation Fund. That is a fundamental natural justice issue and one which I hope will be adhered to. I hope the amendment, which we have yet to scrutinise, will ensure that the concerns of the 90 employees of Melbourne Water are dealt with. To reiterate, they are not necessarily saying that they will be disadvantaged: they are saying that they do not know. As no consultation has occurred with individual members, the 90 workers strongly object to the government's intention. Of course no minister can talk to individual members, but as a group and through their representatives that sort of consultation should go on.

The opposition supports the bill, but it will be scrutinising the amendments to be moved in the committee stage to ensure that some of the matters I have raised have gained attention.

Mr MICALLEF (Springvale) — I shall make a few brief comments to reiterate what the honourable member for Williamstown has stated. The opposition supports the consolidation of superannuation funds, which is sensible. Some members of Parliament have been receiving a lot of correspondence from former employees of the MMBW about their entitlements under the new Melbourne Water Corporation superannuation fund. Having had a lot of industrial experience myself I know that in industrial situations perceptions are often built out of suspicion. The government has a responsibility to ensure that any changes are spelt out and publicised so that workers in instrumentalities that change their status are assured that their entitlements will not be diminished.

As honourable members are aware, many workers go into that type of employment on the basis of security of tenure, although that has now been removed, and the secondary consideration is often the retirement benefits that result from working in instrumentalities or government organisations. The wages are lower than those that can be gained in the private sector, but that is traded off against security of tenure and retirement entitlements that accrue over the length of service.

It is not surprising that workers in that situation are nervous. The honourable member for Williamstown was right when he said those consultations should take place on an adequate basis so that workers fully understand the situation, which often means negotiations with the shop steward and union official on the basis that when they are satisfied the information is transferred quickly to the work force. Suspicion should be countered and we should not get to a situation where members of instrumentalities feel the necessity to write to, telephone and lobby honourable members. I hope the Treasurer takes that on board.

The second point I raise relates to workers within instrumentalities such as the Country Fire Authority who have raised with me their concerns about discrimination against people over 55 years who take targeted packages with their superannuation entitlements, but the packages are somewhat less than those for people aged under 55 years. I raised this matter during the debate on the Equal Opportunity Bill, and I wonder what the position of the Treasurer is in relation to the outlawing of discrimination on the basis of age. I ask the Treasurer in his response to inform the house how this will be dealt with under the bill.

Mr STOCKDALE (Treasurer) — In relation to the succession to the former Minister for Finance, obviously this is a matter for the Premier. I do not wish to trespass on his territory at all, but I believe the Premier made it clear yesterday that his assuming of that role is not necessarily a permanent arrangement and that he will be addressing the ongoing arrangements for ministerial responsibility for these issues. I share some of the views expressed by the honourable member about the workload involved.

In relation to the matter of Melbourne Water employees, two issues have been raised. Again, I can understand the misapprehension of honourable members opposite, but in fact there are some technical reasons for the course that has been followed. I am advised that there has been extensive consultation between the Trades Hall Council, the relevant unions, the administrators of superannuation funds and the public servants involved in this area. The government does not have access to the fund records and therefore is unable to identify individual members who might wish to raise issues; it relies on the fund itself to initiate that sort of consultation. The minister and the public servants who have acted on behalf of the government did not have a real opportunity to consult with any individual members, and in the final analysis it is probably impractical for them to
deal with individual members in any case. I am advised that there has been extensive consultation around these reforms with the Trades Hall Council and unions involved.

In relation to the substantive issue, I am advised that the rationalisation program is not intended to impact adversely on employees. Employees who were members of a closed defined benefit scheme and who are being moved to another fund which also contains a closed defined benefit scheme will be subject to these general principles. Firstly, they will retain access to the same benefit entitlements while they stay with their current employer. Secondly, if they accept employment with another employer who participates in the scheme to which they have moved, the person will transfer into that fund with a set of transfer benefits and become entitled to the benefits of the defined scheme of that industry fund. The effect of this amendment is to give employees mobility within their chosen industry while maintaining access to a defined superannuation benefit.

As I understand it, that matter has been addressed. The honourable member has just suggested to me that it might have been dealt with in the amendments. As the house would appreciate, I am in a position only to refer inquiries in relation to this matter to those who are actually handling the matter. I believe it might be appropriate to have the lead speaker for the opposition briefed on this matter. We can facilitate that because the relevant public servant is available in Parliament and it may be best if we proceed to deal with the matter. A full briefing can be provided as soon as the honourable member is available, and I believe he will find that the concerns he has expressed have been dealt with.

Motion agreed to.

Read second time.

Committed.

Committee

Clause 1 agreed to.

Clause 2

Mr STOCKDALE (Treasurer) — I move:

1. Clause 2, line 6, omit "35,":

2. Clause 2, line 17, omit "Section 36 comes" and insert "Sections 35 and 36 come".

Amendments agreed to; amended clause agreed to; clauses 3 to 6 agreed to.

Clause 7

Mr STOCKDALE (Treasurer) — I move:

3. Clause 7, page 6, line 3 after "applies" insert — ; and

(d) persons who are members of the Melbourne Water Corporation Employees Superannuation Fund to which section 53G applies;

Amendment agreed to; amended clause agreed to; clauses 8 to 22 agreed to.

Clause 23

Mr STOCKDALE (Treasurer) — I move:

4. Clause 23, page 20, at the end of line 34 insert — ; and

(d) all the members of the City of Melbourne Superannuation Fund are transferred to the Fund;

5. Clause 23, page 22, line 10, omit "(3)" and insert "(4)".

6. Clause 23, page 22, lines 16 to 37, and page 23, lines 1 to 4, omit all words and expressions on these lines and insert — "S3FA. Provision relating to change of employment

(1) If a member of the City of Melbourne Superannuation Fund ceases to be an employee of the Melbourne City Council or of an associated employer within the meaning of the governing instrument of the City of Melbourne Superannuation Fund so as to become an employee of any other Authority (including the Melbourne City Council or an associated employer), subject to section 42, the member is from the date of commencement of employment with that Authority transferred to the Fund as a contributor with a resignation benefit and an accrued retirement benefit entitlement calculated in accordance with sub-section (2).

(2) The resignation benefit and accrued retirement benefit entitlement to the date of transfer of a member transferred to the Fund under this section are to be calculated in accordance with the provisions of the governing instrument of the City of Melbourne Superannuation Fund and certified by an actuary appointed by the
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Board after having been translated into the corresponding benefit entitlements under Part 7 of the Local Authorities Superannuation Act 1988.

(3) From the date of transfer a member transferred to the Fund under this section is entitled to receive benefits as a contributor to the Fund.

(4) The Board must from the separate accounting records kept in respect of the former City of Melbourne Superannuation Fund determine —

(a) the liability up to the date of transfer in respect of a member transferred under this section; and

(b) the adjustment to be made to the value of assets shown in the accounting records equal to that liability.

(5) For the purposes of sub-section (4), the liability in respect of a transferred member is to be treated as being in the same proportion as total net assets are to the total liabilities as shown in the accounting records at the date of the transfer.

53G. Provisions relating to Melbourne Parks and Waterways

(1) On the commencement of section 23 of the Superannuation Acts (General Amendment) Act 1995 an employee of Melbourne Parks and Waterways who immediately before that commencement is a member of the Melbourne Water Corporation Employees' Superannuation Fund is transferred to the Fund.

(2) Despite the transfer of a member under this section to the Fund —

(a) the member is entitled to receive the same benefits that he or she would have been entitled to receive had he or she not been so transferred; and

(b) the member is entitled to have his or her rights and obligations determined in accordance with the provisions of the governing instrument of the Melbourne Water Corporation Employees' Superannuation Fund as in force immediately before the transfer.

(3) For the purposes of sub-section (2) the Board has in respect of a member the duties and powers conferred on the trustees of the Melbourne Water Corporation Employees' Superannuation Fund by or under the provisions of the governing instrument of the Melbourne Water Corporation Employees' Superannuation Fund as in force immediately before the transfer.

7. Clause 23, page 24, after line 15 insert —

"53GA. Provision relating to change of employment

(1) If a person to whom section 53G applies ceases to be an employee of Melbourne Parks and Waterways so as to become an employee of an Authority (other than Melbourne Parks and Waterways), subject to section 42, the person becomes from the date of commencement of employment with the Authority a contributor with a resignation benefit and an accrued retirement benefit entitlement calculated in accordance with sub-section (2).

(2) The resignation benefit and accrued retirement benefit entitlement to the date of becoming a contributor to the Fund under this section are to be calculated in accordance with the provisions of the governing instrument of the Melbourne Water Corporation Employees' Superannuation Fund and certified by an actuary appointed by the Board after having been translated into the corresponding benefit entitlements under Part 7 of the Local Authorities Superannuation Act 1988.

(3) From the date of becoming a contributor under this section a person is entitled to receive benefits as a contributor to the Fund.

(4) The Board must from the separate accounting records kept in respect of employees of Melbourne Parks and Waterways transferred to the Fund under section 53G determine —

(a) the liability up to the date of becoming a contributor in respect of a person to whom this section applies; and

(b) the adjustment to be made to the value of assets shown in the accounting records equal to that liability.

(5) For the purposes of sub-section (4), the liability in respect of a person to whom this section applies is to be treated as being in the same proportion as total net assets are to the total liabilities as shown in the accounting records at the date of becoming a contributor.

53GB. Contribution by Melbourne Parks and Waterways

(1) The Board must on the advice of an actuary appointed by the Board determine —
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(a) the extent to which the liability specified under section 53G(4)(a) is unfunded: and

(b) the contribution to be paid to the Fund in respect of that unfunded liability by Melbourne Parks and Waterways in respect of employees transferred to the Fund under section 53G.

(2) For the purposes of sub-section (1), the liability in respect of each transferred employee is to be treated as being in the same proportion as total net assets of the Fund are to total liabilities of the Fund.

(3) Melbourne Parks and Waterways must pay the contribution determined under sub-section (1) to the Board in such instalments and at such intervals as is agreed between the Board and Melbourne Parks and Waterways or, in the absence of agreement, as is determined by the Minister.  

8. Clause 23, page 24, line 31, omit “as a member”.

9. Clause 23, page 25, after line 10 insert —

“(3A) For the purposes of sub-section (3) the trustees of the Melbourne Water Corporation Employees’ Superannuation Fund have in respect of a member the duties and powers conferred on the Board by or under the Local Authorities Superannuation Act 1988 as in force immediately before the transfer.”.

10. Clause 23, page 26, after line 18 insert —

“53HA. Provision relating to change of employment

(1) If a person to whom section 53H applies ceases to be an employee of a water authority so as to become an employee of another water authority, subject to section 42, the person becomes from the date of commencement of employment with the other water authority a member of the Melbourne Water Corporation Employees’ Superannuation Fund with a resignation benefit and an accrued retirement benefit entitlement calculated in accordance with sub-section (2).

(2) The resignation benefit and accrued retirement benefit entitlement to the date of becoming a member of the Melbourne Water Corporation Employees’ Superannuation Fund under this section are to be calculated in accordance with the Local Authorities Superannuation Act 1988 and certified by an actuary appointed by the trustees of the Melbourne Water Corporation Employees’ Superannuation Fund after having been translated into the corresponding benefit entitlements under Section B of the governing instrument of the Melbourne Water Corporation Employees’ Superannuation Fund.

(3) From the date of becoming a member of the Melbourne Water Corporation Employees’ Superannuation Fund under this section a person is entitled to receive benefits as a member of the Fund.

(4) The trustees of the Melbourne Water Corporation Employees’ Superannuation Fund must from the separate accounting records kept in respect of employees of a water authority transferred to the Fund under section 53H determine —

(a) the liability up to the date of becoming a member in respect of a person to whom this section applies; and

(b) the adjustment to be made to the value of assets shown in the accounting records equal to that liability.

(5) For the purposes of sub-section (4), the liability in respect of a person to whom this section applies is to be treated as being in the same proportion as total net assets are to the total liabilities as shown in the accounting records at the date of becoming a member.”.

Amendments agreed to; amended clause agreed to.

Clause 24

Mr STOCKDALE (Treasurer) — I move:

11. Clause 24, page 27, line 11, omit “37A” and insert “37B”.

Amendment agreed to; amended clause agreed to; clause 25 agreed to.

Clause 26

Mr STOCKDALE (Treasurer) — I move:

12. Clause 26, page 28, lines 12 to 14, omit “after deduction of any income tax payable on the benefit”.

13. Clause 26, page 28, line 22, after “account” insert “after deduction of any income tax payable on the benefit”.

14. Clause 26, page 29, line 1, after “payment” insert “after deduction of any income tax payable on the lump sum”.

Amendment agreed to; amended clause agreed to.
15. Clause 26, page 29, line 17, after “credited” insert “after deduction of any income tax payable on the benefit”.

16. Clause 26, page 29, lines 21 to 28, omit all words and expressions on these lines and insert “the amount referred to in section 37A(1)(a) after”.

Amendments agreed to; amended clause agreed to; clauses 27 to 30 agreed to.

Clause 31

Mr STOCKDALE (Treasurer) — I move:

17. Clause 31, line 20, before “In” insert “(1)”.

18. Clause 31, after line 24 insert —

“(2) In section 53 of the Public Sector Superannuation (Administration) Act 1993 —

(a) before “The” insert “(1)”; and

(b) at the end of the section insert —

“(2) The following provisions apply to and in respect of the Holmesglen Constructions Superannuation Plan —

(a) the Holmesglen Constructions Superannuation Plan is deemed to have been declared to be an administered scheme;

(b) 21 December 1993 is deemed to have been specified to be the appointed day in respect of the administered scheme.”.

Amendments agreed to; amended clause agreed to; clauses 32 to 34 agreed to.

Clause 35

Mr STOCKDALE (Treasurer) — I move:

19. Clause 35, lines 32 and 33, omit “making of any payments required to be made under section 33 or 34” and insert “giving effect to of any payments or transfers referred to in sections 33 and 34”.

Amendment agreed to; amended clause agreed to; clauses 36 to 38 agreed to.

Clause 39

Mr STOCKDALE (Treasurer) — I move:

20. Clause 39, lines 25 to 30, omit all words and expressions on these lines and insert —

“calculated in accordance with section 95; and”.

Amendment agreed to; amended clause agreed to; clause 40 agreed to.

Clause 41

Mr STOCKDALE (Treasurer) — I move:

21. Clause 41, pages 40, lines 13 and 14, omit “new scheme as a member” and insert “Fund”.

22. Clause 41, page 40, after line 14 insert —

“(1A) Despite the transfer of a member under this section to the Fund —

(a) the member is entitled to receive the same benefits that he or she would have been entitled to receive had he or she not been so transferred; and

(b) the member is entitled to have his or her rights and obligations determined in accordance with the provisions of the governing instrument of the Melbourne Water Corporation Employees’ Superannuation Fund as in force immediately before the transfer.

(1B) For the purposes of sub-section (1A) the Board has in respect of a member the duties and powers conferred on the trustees of the Melbourne Water Corporation Employees’ Superannuation Fund by or under the provisions of the governing instrument of the Melbourne Water Corporation Employees’ Superannuation Fund as in force immediately before the transfer.”.

23. Clause 41, page 41, after line 25 insert —

“95. Provision relating to change of employment

(1) If a person to whom section 94 applies ceases to be an employee of their current employing authority so as to become an employee of another employing authority, the person becomes from the date of commencement of employment with the other employing authority a member of the new scheme with a resignation benefit and an accrued retirement benefit entitlement calculated in accordance with sub-section (2).

(2) The resignation benefit and accrued retirement benefit entitlement to the date of becoming a member of the new scheme under this section are to be calculated in accordance with the provisions of the governing instrument of the Melbourne Water Corporation Employees’ Superannuation Fund and certified by an actuary appointed by the Board after having
be translated into the corresponding benefit entitlements under this Act.

(3) From the date of becoming a member of the new scheme under this section a person is entitled to receive benefits as a member of the new scheme.

Amendments agreed to; amended clause agreed to; clauses 42 and 43 agreed to.

Reported to house with amendments.

Passed remaining stages.

GRAIN HANDLING AND STORAGE BILL

Government amendments circulated by Mr STOCKDALE (Treasurer) pursuant to sessional orders.

Second reading

Debate resumed from 11 May; motion of Mr I. W. SMITH (then Minister for Finance).

Ms MARPLE (Altona) — As honourable members know, one of the most important things for grain farmers, after all the work they have done in growing their grain, is moving and storing it. The Grain Handling and Storage Bill is of vital importance to them. There has been much interest in what the government would do with the Grain Elevators Board. I presume, as others have, that it was because of the vital importance of both the handling and storage of grain that governments became involved and the Grain Elevators Board was set up.

The bill will facilitate the sale of the Grain Elevators Board to the Victorian Farmers Federation consortium. Included in the bill are provisions for the oversight by the Regulator-General of arrangements with a five-year sunset clause and of prices, which are to be maintained at real levels for at least five years. The closure of facilities is prohibited for two years, to ensure there is no great hardship for the people in areas where there are facilities for grain handling.

It is surprising to find that the government proposes to move 32 amendments to the bill. Although there is probably nothing so devastating about the amendments that the opposition would want to oppose them, it is an example of another messy exercise conducted by the government.

The opposition does not oppose the bill but criticises the lengthy sale of the Grain Elevators Board to the VFF consortium. The deliberations took two and a half years and the sale price was $10 million lower than the first bid.

Mr Stockdale interjected.

Ms MARPLE — Perhaps it was $10 million or even $8 million, but I heard the first bid was $60 million. As usual the Treasurer has held back information and is now telling us another story. That is why people are anxious about what the government is doing, especially with its contracts, to which I will turn later. The consortium will buy the Grain Elevators Board for $52.4 million, the VFF having a 70 per cent stake, Graincorp Operations, the New South Wales privatised equivalent of the GEB, having 20 per cent and the Australian Barley Board, 10 per cent. As was highlighted by the Treasurer’s challenging the figures, we may never know what the original farmers group bid was. The government has not always come clean, especially about how much it cost because of the long tender process and the consultants contracts. If the first bid had been accepted, the costs would not have been so huge. The government is not willing to share the facts.

Given what we have heard this week, it is no wonder that Victorians are concerned about the contracts the government might be holding. In rural Victoria our regional veterinary laboratories were sold by the Minister for Agriculture, under what can only be termed a shonky deal, to his mates and the mates of the government. The former Minister for Finance pointed out to the Minister for Agriculture the need for a proper tender process. Because of that a rapid tender process was undertaken, which saw the consortium that had been promised the regional veterinary laboratories given the go ahead. Those involved in the veterinary pathology work had little time to lodge their bids. That is the cloud the government is under, because country people are concerned about the conditions of that sale.

By and large grain farmers are happy with the sale of the Grain Elevators Board because they will not have to pay as much as they originally put in. The government was not happy with the first bid. It said the farmers would have to put more in because it believed the GEB was worth $95 million, many millions more than the $54 million that has been
accepted. The sale of the board was put out to open tender, but the government did not receive any bids as high as the original — even though the Treasurer said that is not so.

Victorian grain growers should always have the ownership of and control over grain handling and storage. The opposition believed that was the case under government ownership because public ownership means we all have a stake. The government is hell bent on selling off everything. But as a result the grain growers of the state now have ownership of the handling and storage of their grain. The sale has been well received in rural Victoria.

Although the sale may be seen as one of the few wins for the National Party, one must remember that it took two and a half years to bring it about. Rural Victorians would not want to be holding their breath waiting for the National Party to deliver. Part of the reason for selling the GEB for such a good price was to make up for the damage the government had done to country Victoria. I shall cite some examples of how the government, particularly its National Party members, has let down rural Victoria. Firstly, there have been 130 country school closures over the past 18 months, including primary schools at Bellarine, Buckley, St Helens, Redbank, Yanakie, Mount Taylor, Bobinawarra, Burramine, Metcalfe, Barkers Creek and Berriwillock.

The SPEAKER — Order! The honourable member must relate her remarks to the bill. She must show the Chair that the material she is presenting relates to a clause of the bill.

Ms MARPLE — Mr Speaker, the bill is about the sale to farmers of grain and storage handling facilities at a good price to make up for the damage the government has done.

The SPEAKER — Order! Such a passing reference is allowable.

Ms MARPLE — It is a passing reference to the extent to which the rural people of Victoria have been hurting. Recently I visited Ballarat and spoke with older members of that community. They are concerned about the sale of government-owned enterprises and the change in services, especially the closure of railway lines and the introduction of buses. As a result country people are not able to move around as easily as they once did. Many of them find it inconvenient to travel by bus. Also, there are threats of hospital closures.

The SPEAKER — Order! The honourable member is now taxing the tolerance of the Chair. I ask her to come back to the bill.

Ms MARPLE — Closures such as those have caused heartache in rural Victoria. It is of concern that the government has bungled another sale process and will have to pay a further year’s costs. The government is mad on privatisation. It wants to sell everything off without any regard for what is in the best interests of the people of Victoria. The opposition is concerned about the threefold increase in electricity, water and gas prices that everyone has had to pay, let alone the cuts in services. I am sorry, Mr Speaker, that you will not allow me to elaborate on those problems.

The SPEAKER — Order! The honourable member is prevented from doing that not by the Chair but by the standing orders.

Ms MARPLE — People living outside Melbourne are bearing the brunt of the many cutbacks and increased charges introduced by the Kennett government — and they are disappointed that National Party members have not fought to retain those services. The sale of the GEB has come only after a lengthy process.

An article on privatisation by David Walker, which was published in the business section of the 31 May edition of the Age, carries the headline ‘State finds little fish hardest to fry’. The article is not completely against what the government is trying to do, but it examines how the government is putting its policies in place. It discusses the sale of the Grain Elevators Board and mentions the views of the VFF and the rural community. The article also refers to the social issues that have affected people in rural areas, such as the closure of hospitals, schools and rail lines. It even suggests that the Leader of the Opposition is hoping to put some runs on the board as a result of the government’s actions!

Although the article basically talks about the sale of Grain Elevators Board, it also mentions last year’s revolt over the government’s re-jigging of rural power prices. It says that the National Party in particular has recognised the need to be seen to be delivering in the bush. The article states:

The government no doubt had all this in mind last year —

honourable members can see the connection there —
when it surprisingly gave the VFF exclusive bidding rights on a privatised GEB. But Alan Stockdale dismissed the VFF's ... offer ... claiming the GEB was in fact worth more than $90 million.

Mr Stockdale interjected.

Ms MARPLE — Perhaps I have been learning from experts across the table.

The SPEAKER — Order! The small talk across the table should cease, and the honourable member for Altona should get on with debating the bill.

Ms MARPLE — What happened when the government announced an open tender, calling for bids from rural operators such as Elders? The article continues:

As an unusually grim-faced Alan Stockdale announced to a rather depleted state press gallery three weeks ago, the VFF won the tender with a bid of almost $52.4 million. After almost a year's toil, and a year's payments to consultants, the government produced a result that in real terms was actually worse than the one it had rejected last July.

The VFF, whose representative had publicly declared grain growers had a 'privileged position' in the GEB auction, must have been delighted.

The article says the Treasurer has encountered more problems with what it calls the small fish than he has with any of the bigger issues. The opposition believes that is an indication of how the government goes about its business. It does not let the public know about the contracts it has entered into or the amount of taxpayers' money that has been spent over the past year. Even if the opposition made FOI inquiries, the information would remain hidden away. Freedom of information is another area in which rights have been lost. Unless people are prepared to pay a great deal of money they cannot gain access to government information. However, I thank those who gave a briefing to interested opposition members.

Although the opposition supports the sale of the GEB to the VFF, which it believes is the right body to run the board, it still has strong concerns about the time the process has taken — as well as the continued suffering of rural Victorians caused by the policies of the government. The opposition hopes the sale will mean a better result for everyone involved and that the storage and handling of grain will improve as a consequence.

The government-owned Grain Elevators Board guaranteed farmers that their grain would be shifted, but that guarantee no longer exists. Some opposition members doubt the ability of private consortia to perform those functions better than government bodies can. In the end governments may have to adopt a similar view. Some opposition members believe that if they live long enough they will see a return to the government-ownership philosophy. Economic rationalism and a belief in private enterprise has been the economic fashion for only the past 10 years or so. Extremes always meet a bitter end, and that is what will happen to the philosophy of privatising government bodies.

The opposition hopes everything goes well. We are pleased that farmers are able to be part of the consortium. The opposition also hopes that despite the 32 amendments to be moved by the government everything will be properly put in place so that grain farmers can not only look forward to a successful harvest following the good autumn rains but also their grain stored and moved in good condition.

Mr BILDSTIEN (Mildura) — As a member of Parliament representing a significant portion of Victoria’s grain industry I have much pleasure in supporting the bill. The bill is the result of extensive negotiations over a period of months, and the Treasurer and the Minister for Agriculture are to be commended on it.

Obviously the issue of who would ultimately control the Grain Elevators Board has been of concern to grain growers in my electorate. About 50 per cent of the grain crop carted by V/Line freight comes out of my electorate, and it would be fair to say that the bulk of the state’s grain industry is within the electorate of the honourable member for Swan Hill, the electorate of the honourable member for Wimmera, who is the Minister for Agriculture, and my electorate.

The honourable member for Altona tried to suggest this was some sort of payback to country members for actions taken by the government on other matters. Of course that is nonsense, and she knows it. The policy taken to the people at the last election was clearly that the government intended to privatisate the Grain Elevators Board. As for issues such as school funding, I remind the honourable member for Altona that through the autumn economic statement the Minister for Education announced a capital works and maintenance budget for schools of $250 million — the largest amount ever spent on schools in a single financial year.
Ms Marple interjected.

The SPEAKER — Order! The Chair is disturbed by the interjections from the honourable member for Altona. I ask her to remain silent.

Mr BILDSTIEN — I am disturbed also, because she is not prepared to acknowledge the huge effort the government has been putting into schools in country Victoria. In my electorate capital works and major expenditure has been in the order of $12 million.

Ms Marple — On a point of order, Mr Speaker, you would not allow me to speak about individual schools or make any reference to problems in rural Victoria. I ask you to pull up the honourable member for Mildura and apply the same ruling to him.

The SPEAKER — Order! The honourable member for Altona will be aware that the Chair chose its words carefully. I said I would allow the honourable member for Altona a passing reference. Certain latitude was extended to her, and on the basis of equity the honourable member for Mildura has the right to refute the points made by the honourable member for Altona, so long as he confines himself to refuting only those points.

Mr BILDSTIEN — The honourable member for Altona will be aware that I listened in silence to her contribution to the debate and that my remarks and passing references to her comments are brief so as to allow the passage of the legislation and to allow as many members as possible to speak.

I remind the house of the significance of the grain industry to Victoria. Members would be aware that as a state Victoria comprises only 3 per cent of Australia’s landmass, of which only about two-thirds is actually farmed. We use about 4.5 million hectares of land for grain production, about 39 per cent of our agricultural land, and from that we successfully produce around 15 per cent of Australia’s total grain production. Our grain industry has a farmgate value of around $762 million produced from 5240 farms. The most significant crops are wheat, which is worth $295 million, followed by barley, which is worth $115 million, and field peas, worth $55 million. Most of that is exported, generating about $344 million in export income, and of course we must add to that the substantial downstream processing that we estimate means another $785 million for the state’s economy.

If you look back over the history of the government since the coalition took over the reins in 1992 it becomes evident that the Minister for Agriculture has been striving to build upon this industry. For example, just 76 days after the last election the government announced a $13 million collaborative barley research program aimed at improving varieties of barley for the malting and beer industries, with a view to boosting exports. On the government’s 207th day in office, as a result of legislation introduced by the Minister for Agriculture, this Parliament passed new barley marketing legislation to partially deregulate the domestic market through a system of permits and licences that enable barley end users and processors to buy barley direct from growers, independent of the Australian Barley Board.

The minister has announced the release of 10 new cultivars of wheat, barley and lentils, all targeted at market requirements. In consultation with the industry the government has established a five-year research and development strategy for grain that is now in place. The most recent announcement concerns the government’s $22 million agriculture and food initiative, aimed at returning about $220 million a year to the Victorian economy. The programs were developed by the Minister for Agriculture in consultation with industry in seven areas, one of them being grains and grain products for growing markets.

As a member of this place representing grain growers, chairman of the government’s agriculture committee and Parliamentary Secretary to the Minister for Agriculture I have obviously followed this issue closely, and the final outcome — the sale of the Grain Elevators Board to a consortium headed by the Victorian Farmers Federation — is welcomed by the vast majority of my grain grower constituents.

A number of forums have been held by the VFF, including the machinery field days held last August, at which growers asked me to address them. They made it abundantly clear that this was an issue dear to them and an issue on which they expected country members representing the grain belt to deliver. I place on record my sincere appreciation to the Treasurer because just prior to Christmas he accompanied the Minister for Agriculture and members representing the grain belt to my electorate to meet with growers and explain the process the government had undertaken and to gain feedback from growers.
It was a busy day with a series of meetings in Ouyen, St Arnaud, Warracknabeal and Wycheproof. I would be the first to acknowledge that not everybody who attended those meetings accepted the position at the time, but they certainly appreciated the opportunity to meet with the Treasurer and the minister and to put their points of view.

The house will recall that initially the government was prepared to deal exclusively with the Victorian Farmers Federation consortium, but those negotiations terminated without agreement. A rigorous tender process was then followed. Offers for the Grain Elevators Board were assessed on a range of criteria, including price, level of conditions attached to the offer, ability to work with growers, the impact of competition within the industry, and any relevant expertise and experience in the industries in which the Grain Elevators Board operates.

The bid from Vicgrain Operations Ltd for $52.4 million which was accepted by the government was the highest offer and met the government's mix of evaluation criteria. As has been stated by the Treasurer in response to comments by the honourable member for Altona, it was over half a million dollars better for the state than the amount that was offered last year in negotiations between the growers group and the government.

Under the legislation now before us we have introduced a range of economic regulations to be overseen by the Regulator-General. They include the imposition of a price cap on services provided by essential port facilities and a limitation on the permanent closure of country facilities. In addition there are regulations which will allow third parties to use the GEB facilities in an access regime which is consistent with the competition principles agreement struck last month between the states and the commonwealth.

It is pleasing to note that the expectation is that virtually all of the staff employed by the GEB will be transferred to the new privatised authority. I join the ministers in thanking the Chairman of the Grain Elevators Board, Ian Haig, his board members, the general manager, Mev Connell and all the staff for their efforts during the transition period, and I wish them well for the future. There is no doubt in my mind that the sale will give grain growers a greater stake in their industry and put them in the best position to attract more business from interstate or to expand or diversify into other areas of grain marketing and handling.

The bill reinforces the government's desire to give our private industry a greater input into the grain handling network and to strengthen the competitiveness of the Victorian grains industry.

I was pleased to see that the government made an early decision that the assets and the undertaking be offered as a going concern and that the option of splitting or disaggregating the business had been rejected. I wish the bill a speedy passage and extend my best wishes for the future to the new owners.

Mr HAMILTON (Morwell) — I want to make a short contribution to this bill which, although not the most important bill on the notice paper, for country Victorians is extremely important.

Again it is disappointing to see not one member of the National Party — the wiped-over National Party — in here to support the bill. The country Liberals are in bed with the city Liberals and are being rolled over again and again — not one of them about. Where are the Nats again? They are lost. Once again they have been sold out by the lawyers, the stock and station agents and the auctioneers.

The bill would be better termed the AAS Bill, the Anti-Agrarian Socialist Bill. Once again, what has happened? It has changed the whole philosophy of what has gone on in the state since it was settled by white people some 208 years ago, or however long it is now.

Let us not be misled about where the push for this sell-off, this fire sale of the Grain Elevators Board came from. It did not come from the grain growers; it came from the government. The only reason we have the result we have is that ultimately the farmers were forced into the corner and said, 'If we don't take over this and put in a bid we will lose out' — and it's good to see we have some representation from the bush; not from the grain area, of course — in response to extreme pressure from this ideologically driven government. It was another victory for Stocky in terms of thickest people — I resisted also saying with large eyebrows!

The SPEAKER — Order! I inform the honourable member that he should refer to the Treasurer by his proper title.
Mr HAMILTON — The eventual getting rid of the Grain Elevators Board was a victory for the Office of State Owned Enterprises.

I was pleased to hear the honourable member for Mildura say that it was a good idea to sell it as a going concern and not to break it up. It is a pity it was not consistent with and had the same objective as the SEC, which it would have been a bit more sensible to sell as an integrated exercise rather than breaking up. There is no consistency in this government: the only consistency is inconsistency.

We got $524 million for something the state of Victoria, the farmers and the taxpayers already owned. That is absolutely ridiculous and is an absolute farce.

When you start working out the $524 million you will see that it would not even pay for the infrastructure that sits at the ports of Geelong or Portland, without the silos and all the infrastructure. If you were looking at replacement costs you would be looking at double that, so it is half price.

Mr Stockdale interjected.

Mr HAMILTON — The minister says, 'We don’t need to worry about replacement costs'. Of course you do. Whatever is being used has to be replaced: nothing that is being used lasts forever. This government, especially, will not last forever.

The way the accountants, the bean counters — whom I think I now have placed one step lower than the lawyers — value these assets is disgraceful, because you get written-down book value. Even if you sold the corner lolly shop you would have some goodwill in the business. But oh no, the government says, 'No goodwill in this; we’ll just whip it off for the highest price we can get. It doesn’t matter what we get for it; we will get rid of it'. You reckon it is not a fire sale?

The other important thing is that ultimately the risk is the government’s. If the new owners go broke you cannot close down the grain industry; you cannot desert — or at least I hope we will never see the deserting of — the farmers and the grain growers in the area.

The bottom line is: if they go kaput — and of course businesses do go kaput; if they don’t believe that they should ask Christopher Skase or Alan Bond about going kaput — it is an industry that is essential for the state and for many regions in it.

There has to be transport, storage and marketing of grain, otherwise the country will go broke. The government still has 100 per cent risk, because it cannot let it die.

Another contradiction is the government saying, 'We have sold it to representatives of the industry and the grain growers themselves have 70 per cent of the new deal' — great! However, ultimately there is nothing in the bill — and in a moment I will talk about some of the specific clauses of it; these are general comments on the bill — to prevent the grain growers from on-selling: next week they could sell the whole lot of it to BHP; except, of course, BHP would not be stupid enough to buy it.

I noted the honourable member for Mildura quoting values of grains. However, the honourable member probably knows better than most — other than perhaps members of the National Party, who represented the bush pretty well over many years until they got into bed with this forsaken government and stopped paying attention to the detail of representing country people — that farming is an uncertain business, which country people understand very well. We have droughts from time to time; we have always had droughts. The income from the grain growers and from the grain handling and storage business — because that is what the government is setting up, and I will have a bit more to say about what sort of business it is in a moment — is uncertain. History shows that the income from the farming industry is uncertain. We have all grown up with that knowledge in this country. Grain growing in Victoria is an uncertain business because, whatever else the government can do, it cannot control the weather. Although it would like to be able to do that, I assure the community that the government cannot do it, and in some ways it is just as well!

The government has prided itself in rhetoric, if not in actions, on deregulation and competition, but the grain industry is the most regulated industry in this state. The bill contains clause after clause dealing with the role of the Office of the Regulator-General. Thank goodness for the Office of the Regulator-General because at least there is some control over what goes on!

Clause 14 deals with the objectives of the Office of the Regulator-General in relation to this regulated industry — at least we have some honesty here — which is to promote competition in the storage and handling of grain. Grain growers will be competing between themselves. The office must protect the
interests of users of the grain handling and storage facilities in terms of price by ensuring that prices are not discriminatory and that charges across users and classes of users are fair and reasonable.

It sounds great until you read schedule 2 at the end of the bill where one finds that the base charges have been set for the receiving and shipping of grain. It lists the base charges for the various categories of grains per tonne. The bill provides that they can be amended by changes in the consumer price index. I note in the amendments that the minister has defined what he means by changes in the consumer price index. There can be negative changes as well as positive changes, although there have not been too many negative changes in CPI in my memory!

Even the changes to the base price are regulated by the Regulator-General. There will not be an opportunity in an uncertain industry such as this to be changing the prices around. Of course the other fallacy we hear so often in the rhetoric of the government is when it says, 'Oh, there has been a percentage change in this or that'. Percentage changes work on the assumption — in many cases the false assumption — that the base rates are correct. If that were so why would you want to sell the GEB in the first place? If they were set so that it was fair to the grain growers and to the operators of the GEB, why would you want to sell it?

It is unfortunate that the Minister for Agriculture is not in the house because whatever happens the buck stops with the minister. When things go wrong you may blame the GEB, whoever owns it, but the government has the fundamental responsibility through the cabinet and the minister. The buck stops with the minister. We could have a list a mile long of the names of ministers who thought they could escape the noose, but they have not. Inevitably the pigeons will come home to roost under the Westminster system of government. Regardless of how far a minister might try to distances himself or herself by privatising a government function, the bottom line is: when things go wrong, heads will roll and ministers are removed.

The honourable member for Mildura spoke about access rules. This regulated industry directly contradicts what the government has talked about in terms of the industry. I notice it has not been game to deregulate the taxi industry — that will be a real challenge. The government says it does not believe in regulation, but all sorts of things are regulated. I am pleased about that and I support regulation, especially of primary industry: it is too easy for farmers to be screwed because they do not have good representation now. They have been thrown to the wolves. The National Party has left them. It does not support them.

Clause 16 deals with access rules for the Office of the Regulator-General. It states:

... a facility used in the provision of prescribed services —

that is for the handling, transporting and marketing of the grain —

is a significant infrastructure facility and is to be regulated in accordance with the Competition Principles Agreement.

This is the COAG agreement, which was the result of the Hilmer report that has been lauded by everybody, but everybody will live to regret it because although it is good to have a level playing field, that is not possible. You can have GATT agreements and all sorts of agreements but when you get into bed with the big players, the Japanese and the Americans, you will find there is no free trade. It is a matter of bargaining by the powerful against the less powerful and the powerless. That is what happens. The access rules in clause 16(2) provide:

It is hereby declared that it is necessary to provide for access to prescribed services because —

(a) it is not economically feasible to duplicate the prescribed services;

I agree with that. I do not have a problem with that, but it does contradict what the government is talking about when it says, 'We will have competition but we cannot duplicate because we have to regulate the competition!'. This is a contradiction because you are either competing or not competing. To say that you have got to compete but it must be ensured that it is regulated is an absolute farce!

Clause 16(2) also says that it is necessary to have regulation because:

(b) access to the service is necessary in order to permit effective competition in the grain market; and

(c) the safe use of the prescribed services by the person seeking access can be assured at an economically feasible cost.

To most people 'economically feasible cost' means — whether it means the same to the
economists I am not sure — that you provide a service and there is no net loss. More importantly, there is no net cross-subsidy. I do not believe there is a problem with cross-subsidy. I do not believe there is a problem in times of need in supporting an industry as important as the grain industry through the taxpayers providing relief to keep farmers on the land and in business. I do not have a problem with that, but that is a direct cross-subsidy from the general taxpayers. It is important.

Time after time in this house the government, at least in its rhetoric but not so much in action, has said, 'We ought to be supporting the farmers by providing good subsidies'. I agree with that. But the government should not then have the audacity to come back here and talk about competition; it cannot talk about deregulation on the one hand and then want to do the usual thing — capitalise the profits and socialise the losses. That has been its history. What is not recognised by this government and its individual members is that that is a reality they ought to admit. We should not have farces such as this bill, which provides that people will pay $52.4 million for something they already own! That is the real tragedy of this bill.

Mr JENKINS (Ballarat West) — I have been interested in the history of grain handling and grain storage in the farming community.

Mr Hamilton — What do you know about grain handling and storage?

Mr JENKINS — Well, I had my early driving lessons in a truck delivering grain! The history of the handling and storage of grain in Victoria is long and fascinating. For example, many of the railway lines through the Mallee and Wimmera areas were established to cart grain to Geelong and Portland. There are some fantastic examples of old engineering feats in storage, such as the stick sheds. There was a big one at Dunolly and one still remains at Murtoa.

One can also see the network of concrete silos on the many sidings near railway lines. About 25 to 30 years ago, as time progressed and with expansion and modernisation, steel silos were attached to the concrete silos and the Grain Elevators Board built many extensions to storage facilities. It also put in the million-bushel silos at Beulah, Donald and Wycheproof to store grain from the harvest. They were a great help because after harvest it went from the fields straight to covered storage, which protected the quality of the grain.

Over the years many problems have arisen in the movement of grain during the harvest. To be reminded of them one has only to recall the many steam trains that ran through the grain areas delivering empty rail wagons and to remember that farmers had to wait at the silos to unload grain from their trucks so that recently harvested grain could be received and transhipped through the silos. I well remember sitting in a truck that was in a line of 100 trucks waiting to deposit grain in the silos.

Time moved on and the farmers, because of their frustrations, started to develop their own storages on their farms. A whole new industry of manufacturing farm silos was established. Many of us have seen the number of farm silos that embellish our countryside in the grain-growing areas.

The future of grain handling could be described as golden because of the opportunity for the new consortium to take over the administration, handling and control of grain storage. The farmer has to get the crop into storage in the silos and then to the port for export — much of our harvest goes overseas. Better control and a more modern approach will allow the farming community to process the grain through the system more readily and with more security and control. In the past one of the problems with farm storage has been that not every farmer undertook preventive measures to control weevils and termites in the grain, and that caused frustration when the product was being sold overseas.

I have every confidence in the sale of the Grain Elevators Board of Victoria. I am very enthusiastic about it because it will allow the farmers to have some say in the movement of grain. Prior to this, silo keepers virtually controlled the inflow to the silos. If they did not want to work on Saturdays or Sundays, they did not do so. Now farmers will be able to decide to cart during the week or on Saturdays or Sundays, or even overnight. That will get the grain into storage much more efficiently.

One of the initiatives of farmers has been value adding. Pacific Malting Pty Ltd was purchased by a group of Mallee and Wimmera farmers to process malt for them. They are value adding their grain into malted product for export to breweries overseas. Such initiatives by farmers allow progress to be made in their areas, and that is a good thing. Certainly in the past few years farmers have had a pretty rough time. Throughout history farmers have certainly accepted the challenge. I have every
admiration for what they have done and the way they have faced up to the challenges.

I am sure the purchase of the complete structure of grain handling and storage will be of benefit to Victoria and specifically to farmers. I wish the new owners well in the purchase of this magnificent asset and commend the bill to the house.

Mr STOCKDALE (Treasurer) — It is clear from the debate that this issue has presented members of the Labor Party with something of a conundrum: on the one hand they want to be against privatisation but on the other hand the Leader of the Opposition wants to maintain the pretence that he is supportive of country people.

In the early days of this transaction we had the spectacle of the Leader of the Opposition running around country Victoria saying to anyone who would listen to him that the government should be giving the GEB away to farmers. Now we have the Labor Party arguing almost explicitly that the government should not be giving the GEB to the farmers for nothing and not only criticising the government for not getting enough for the sale of the GEB but also misrepresenting the process.

Although the government and the VFF parties maintained the confidentiality of their earlier negotiations, it has been accepted by both sides that an amount of $800,000 additional to the original offer was gained through the process, although that is not the real reason for the two-stage process the government followed. As a matter of propriety, when the government deals exclusively with one party with a particular interest it is constrained by being able to meet independent valuation figures for the sale of an asset. The government would be criticised no doubt first of all by the Labor Party if it sold an important asset before the valuation without any competitive process. If we had negotiated a transaction with the farmers representative body at a particular figure below the valuation, the opposition would now be criticising the government for that course of action.

However, when the government enters into a very open, competitive process, where the market actually fixes the value of assets based on the sort of return those assets can generate, the government is not necessarily constrained by those considerations. The process is certainly not open to the sort of criticisms the opposition has mounted here. Nonetheless, I accept that members of the opposition have faced up to the inevitability of the fact that if they want to have any credibility at all they have to endorse the wisdom of this sale and applaud the fact that the government was able to reach agreement on a suitable price.

The public sector has benefited; taxpayers have benefited from the reduction in public sector debt; and the grain industry has benefited from a closer relationship between the GEB and the farmers. It again saves the people of Victoria with a shift of risk from government to people who have a much stronger management background. The taxpayer is benefiting from not having to fund those risks. I can only say, contrary to the suggestions from the honourable member for Morwell, that the government does not accept that any residual risk will be with the taxpayer.

We wish the new owners well, but they are a private sector operation, so if at some future stage they have difficulties they should look for other support and not ask the taxpayers to bail them out.

Motion agreed to.

Read second time.

Debate interrupted pursuant to sessional orders.

Sitting suspended 1.01 p.m. until 2.04 p.m.

PHOTOGRAPHING OF PROCEEDINGS

The SPEAKER — Order! I advise the house that I have given permission for still photographs to be taken from the press gallery during question time. No additional lighting or flashlights will be used, and the usual rules of procedure will be adhered to.

HANSARD

Mr Leigh — On a point of order, Mr Speaker, I refer to the discussion you had with me earlier today about a request made to you last night by the honourable member for Springvale to alter Hansard. Can you inform me of your decision on that matter before I raise another point of order — if I may?

The SPEAKER — Order! I am considering having certain words expunged, and I will advise the honourable member accordingly.

Mr Leigh — On a further point of order, Mr Speaker, given that the house will not be sitting for some time after today and tomorrow, when do you envisage being able to make a decision?
The SPEAKER — Order! I assure the honourable member he will have every opportunity of responding. It is my intention, should I have the time, to deal with the matter this afternoon.

QUESTIONS WITHOUT NOTICE

Former Minister for Finance

Mr BRUMBY (Leader of the Opposition) — I refer the Premier to the appointment of Cheryl Harris as the chief of staff of the former Minister for Finance. Did the Premier approve Ms Harris’s appointment in writing as required under the guidelines for the employment of ministerial staff issued by him in October 1992?

Mr KENNETH (Premier) — The answer to that is no. If the honourable member looks at the Public Sector Management Act he will see a special provision in that act that allows ministerial staff to be appointed at the direction and under the guidelines of the Premier. I issued those guidelines and discussed them with my colleagues. To the best of my knowledge, with the exception of one instance, they have been followed by everyone.

Grand prix: track compaction

Mr PERTON (Doncaster) — Is the Minister for Energy and Minerals aware of statements made by the honourable member for Albert Park about the compaction work on the grand prix site to the effect that the activity threatened to rupture the WAG oil pipeline and that Middle Park and Albert Park could go up like a towering inferno?

Honourable members interjecting.

Mr PERTON — The reaction is appropriate. I repeat the question: is the minister aware of the scaremongering statements made by the member for Albert Park about the compaction work on the grand prix site to the effect that the activity threatened to rupture the WAG oil pipeline and that Middle Park and Albert Park could go up like a towering inferno, endangering the lives and property of thousands of people? If so, can the minister indicate the nature of the risk and what actions have been taken to eliminate it?

Mr S. J. PLOWMAN (Minister for Energy and Minerals) — I am aware of the statement made by the member for Albert Park, which, if correct, would raise serious consequences. The statement is also critical of the government, calling on it to hold an immediate inquiry into the consequences of the vibrations caused by the compaction of the Albert Park racetrack. I am pleased to advise the honourable member and the house that Kinhill Engineers Pty Ltd, a well-respected engineering company in this state, carries out regular tests on the pipeline. The company conducted tests relating to the compaction a few weeks before the honourable member made his statement. I will read from the information provided to me by Kinhills:

Vibrations from the compaction work at Albert Park, which was completed eight weeks ago, were measured at less than 1 mm/sec particle velocity in Richardson Street. Typical threshold for damage to gas pipelines as published by VicRoads is 20 mm/sec. The buses that travel along Richardson Street and cross the pipeline 1 m below the surface would cause vibration considerably in excess of those measured during the compaction works.

Engineers of my department have confirmed Kinhills statement that there was — — —

Mr Thwaites — On a point of order, Mr Speaker, I ask the minister to table the document from which he is reading.

The SPEAKER — Order! Will the minister table the document?

Mr S. J. PLOWMAN — I shall be happy to, Mr Speaker. Engineers from my department have confirmed Kinhills statement that there was absolutely no risk of pipeline rupture. The WAG consortium, which is made up of the Shell and Mobil companies, also wrote to the honourable member for Albert Park. I shall also be happy to make available to him a copy of that letter though, no doubt, he has already received it.

Mr Brumby interjected.

Mr S. J. PLOWMAN — The Leader of the Opposition asks why I don’t sit down! He does not think it is important when somebody such as the honourable member for Albert Park misleads the community and his own constituents. The letter states:

Shell and Mobil have well in excess of 100 years experience operating in the oil business in Australia and neither company would permit any activity whatsoever to impact adversely on the safe
management or integrity of the pipeline in Albert Park or at any other location.

We are at a loss to understand why you would seek to alarm potentially thousands of people regarding the pipeline. Your statement says that ‘local residents’ advised you that WAG pipeline technicians had expressed their concern regarding ‘the rapid rate of the pipe’s deterioration’. We confirm that no ‘local resident’ has raised any such concern with our company and nor has any state or local government authority. Certainly our technical officers have voiced no such concern to us. On this basis it concerns us very deeply that you should have issued your statement without reference to this company.

From time to time the honourable member for Albert Park has been accused of being loose with the truth on health issues. I believe his statement on this matter is inaccurate, misleading, irresponsible and mischievous. He has used scare tactics against his own constituents, whom he supposedly represents.

The WAG consortium offered the honourable member a briefing on the matter 11 days ago, but so far he has made no contact with either my department or the company. Under the circumstances his comments are grossly irresponsible and headline grabbing and show no concern for the facts. I believe he owes a public apology to the grand prix corporation and, most importantly, to his constituents in Albert Park and Middle Park, whom he has grossly misled.

Employment: ministerial staff contracts

Mr BRUMBY (Leader of the Opposition) — I refer the Premier to the fact that under the guidelines for the employment of ministerial staff, which he issued in October 1992, each year he is required to receive details of the employment arrangements for all the staff in each ministerial office. Will the Premier inform the house whether he and his ministers have fully complied with those guidelines?

Mr KENNETT (Premier) — Yes.

Neighbourhood houses

Mr McARTHUR (Monbulk) — Will the Minister for Community Services inform the house whether the government has plans for any funding initiatives for the neighbourhood house coordination program?

Mr JOHN (Minister for Community Services) — Victoria has an excellent network of community houses across the state, distributed equally between the country and the city. There are 265 neighbourhood houses in Victoria. The program commenced under a previous Liberal government and was supported by the former Labor government; and this government continues to support neighbourhood houses. There are 16 networks across Victoria that help coordinate the programs and assist neighbourhood houses provide programs to local communities.

I am pleased to announce that the government will provide $557 500 in one-off funds to the 265 neighbourhood houses and the 16 networks that represent them. Each neighbourhood house will receive $1500 and each of the 16 networks will receive $5000. The funding will be used to train house coordinators to help them respond — —

Honourable members interjecting.

Mr JOHN — Aren’t you pleased about this great announcement?

The SPEAKER — Order! Question time cannot proceed with that level of interjection. I ask both sides of the house to come to order.

Mr JOHN — The interjections illustrate how uncaring the honourable member for Pascoe Vale and his party are. They do not care about the needy. The honourable member will soon resign and go off to Canberra. But we on this side of the house care about people with disabilities and disadvantages. We are pleased to provide additional funding to help house coordinators respond to the special needs of people with disabilities and psychiatric or mental illnesses.

This is additional to the $7 million the government already gives neighbourhood houses and their networks across the state through capital works and direct recurrent funding.

The neighbourhood houses are autonomous and are run by local communities, community leaders and interested citizens. They help unemployed people, provide child care, offer a vast variety of educational programs and give friendship and support to lonely, single or elderly people.

I believe it is a good initiative, and we are keen to support neighbourhood houses by providing additional funding. The last census showed that
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more than 37,000 adults and 15,000 children had 81,000 visits to neighbourhood houses. We are pleased to provide additional funds for excellent programs that assist people with disabilities and psychiatric illnesses.

Interjection from gallery.

The SPEAKER — Order! Such behaviour is against the standing orders, and if necessary I shall take action.

Former Minister for Finance

Mr BRUMBY (Leader of the Opposition) — I refer the Premier to the decision today to terminate the employment of Ms Cheryl Harris. Will the Premier, who is the minister responsible for implementing the Public Sector Management Act, inform the house how many other ministerial staff members employed by the former Minister for Finance have had their contracts terminated without notice, or has Ms Harris been singled out for special treatment?

Mr KENNETT (Premier) — I remind the Leader of the Opposition, who had a short period of federal service before he lost his seat and worked for the Honourable Alan Griffiths, a former federal minister, and so is aware of these matters, of the employment and dismissal procedures applying to ministerial staff at the state and federal levels. There is consistency in employment and retrenchment provisions between the two levels, which are normally based on the employment preference of the minister of the day. That is understandable given the close working relationships ministers have with their personal staffs.

An honourable member interjected.

Mr KENNETT — You really are a sleaze-bag! He cannot help himself.

Mr Brumby interjected.

Mr KENNETT — The Leader of the Opposition just said that I am a piece of filth. That is what he said over the table!

The SPEAKER — Order! I ask honourable members at the table to come to order.

Mr KENNETT — I regret that the Leader of the Opposition is so obviously under a great deal of pressure. The only one on his side of the house who is laughing is the honourable member for Bundoora.

I reiterate what I was saying before I was interrupted, that ministerial staff are appointed based on a decision of the minister of the day. When governments change, so does ministerial staff; and when ministers change, so normally does the ministerial staff, unless the incoming minister wishes to retain the staff of the outgoing minister.

The Leader of the Opposition is on the same level as a minister and, with the exception of his fellow failed federal member, Rob Hulls, who was a member of the staff of the Honourable Jim Kennan, a former Leader of the Opposition, all of his staff has changed.

Mr Micallef — No, that's wrong.

Mr KENNETT — Most of them have — and that happens to be right. Mr Speaker, turning to the case of Ms Harris and the rest of the staff of the former Minister for Finance, the situation was that one position was vacant, there was one secretarial position and one receptionist. The secretarial person will stay on for a period to assist in the receiving of mail and the direction of that mail to my office. The receptionist is employed under contract with an employment firm and that contract will expire. Ms Harris's employment has been terminated in the normal way and the normal notice has been given in accordance with the way ministerial staff are employed.

The only remaining staff member of the former minister is David Brennan, who this morning moved to my office to assist me in discharging my responsibilities as the current Minister for Finance. As honourable members would be aware —

Mr Brumby interjected.

Mr KENNETT — You really are a pathetic little man! David Brennan has moved to my office at my request to assist me in my responsibilities. I already have a chief of staff and I do not need two, so there was no requirement to continue the employment of Ms Harris.

Exports: computer components

Mr JASPER (Murray Valley) — Will the Minister for Industry and Employment inform the house of developments in the export of high technology components manufactured in Victoria?
Mr GUDGE (Minister for Industry and Employment) — I thank the honourable member for Murray Valley for his question, particularly given his deep interest in the manufacturing and small business sectors in his electorate.

Today I have more good news for Victoria! The manufacturing plant of IBM at Wangaratta has secured a contract to supply the Apple computer organisation with parts for export to Asia. The contract will generate in the order of $40 million in exports to the Asia-Pacific region during the remainder of 1995 alone and exports are expected to grow sizeably during 1996 and beyond.

This contract further underlines Victoria’s status as a major player in the global technology field, not to mention its growing status as the leading exporting state in Australia. Apple will now source processor daughter cards, which are a part of the next generation Apple Powermac, from IBM at Wangaratta. The contract is good news for Victoria but, above all else, it proves that international business understands the government’s message that Victoria is open for business and that business does not stop at the end of the Melbourne tram tracks.

Regional Victoria is a highly competitive environment in which to do business, and I am glad that IBM and Apple have highlighted that in this announcement today. As honourable members in general and the honourable member for Murray Valley in particular would know, Wangaratta is a major base for local manufacturing by IBM. It is one of four plants around the world that manufacture PS2 computers and is the sole supplier of that line in South-East Asia. The company employs 170 full-time staff and approximately 400 people on a casual basis at its Wangaratta plant. Clearly the contract has the capacity to do two things: firstly, to secure the jobs of the people in the local area — not that their jobs were at risk, because the company is doing well, but the winning of a major international contract such as this adds a level of surety that we would want for all Victorians who are in employment; and secondly, it also offers the prospect with further growth in coming years of providing more employment in Wangaratta.

I congratulate IBM and Apple and I am sure all honourable members would want to join me in doing so.

Honourable Members — Hear, hear!

Women: equal opportunity complaints

Ms GARBUIT (Bundoora) — My question is directed to the Minister responsible for Women’s Affairs. I refer to the 1994 annual report of the Equal Opportunity Commission, which states that complaints of sexual harassment and pregnancy discrimination in employment increased more than any other category of discrimination last year, and I ask: will the minister investigate whether the sacking today of Cheryl Harris is yet another example of pregnancy discrimination in employment?

Mrs WADE (Minister responsible for Women’s Affairs) — It is regrettable that complaints of this nature have increased. However, I would say the way in which work is being dealt with at the Equal Opportunity Commission under the new management has encouraged people to seek recourse to the commission. There are no longer the enormous delays that existed under the previous administration, and I think that explains in part the increase in complaints.

As you will have noted, Mr Speaker, the Equal Opportunity Bill recently debated in this chamber contains significant improvements in sexual harassment provisions to bring them into line with commonwealth provisions. Anyone who has a complaint of sexual harassment or any other complaint that comes within the jurisdiction of the Equal Opportunity Commission has the right to bring a complaint, and it would be totally inappropriate for me to intervene in any private matter when the person concerned is quite able to bring a complaint.

Spirit of Sport awards

Dr DEAN (Berwick) — Will the Minister for Sport, Recreation and Racing inform the house of the latest government and business venture in sport known as the Spirit of Sport awards?

Mr REYNOLDS (Minister for Sport, Recreation and Racing) — I thank the honourable member for Berwick for his timely question. This is another piece of good news for Victoria. Sport in this state is run not only by sportspeople themselves but also by the unsung heroes behind the scenes who give so freely of their time day-in, day-out, week-in, week-out and year after year to provide backup, administrative services and all the other things that happen behind the scenes to make sport the great benefit it is to us as a community. They do it for love of the game and
often because they have finished playing sport and want to put something back into the game. Sometimes they are people who are not very good at sport or who have a physical disability but who want to be a part of sport.

The Spirit of Sport awards announced yesterday in conjunction with several sponsors will be known as the St George Bank Spirit of Sport awards. They are co-sponsored by 3AW, Network 10, the Herald Sun and Ten Victoria. People can nominate sports players they believe are worthy of recognition by picking up entry forms at St George Bank branches, 3AW, Sport and Recreation Victoria offices, the Herald Sun, Ten Victoria or any police station.

The sportspersons nominated will be assessed, and each month an award of $500 will be given courtesy of the St George Bank. In addition the winner will receive a Kea Australia specially embossed jacket. In June 1996 the 1995-96 Spirit of Sport Award winner will be announced and will receive a $5000 cheque from the St George Bank as well as a family holiday at Echuca staying at the Settlement Motor Inn.

This is all good news. It is a perfect example of the corporate sector, the government and sport working together at very little expense to the people of Victoria because it is all sponsored. It is a case of business helping sport, as we saw last night in the State of Origin game at the Melbourne Cricket Ground where a tough, hard game was fought watched by almost 53 000 people, of whom probably 40 000 did not even know the rules!

All these things are a benefit to Victoria in tourism, car rentals, hotels, accommodation and everything else that goes with big sporting matches. Sport is big business, and big business is now helping sport.

Employment: ministerial staff contracts

Mr BRUMBY (Leader of the Opposition) — Will the Premier give an undertaking that he will immediately investigate whether all contracts of employment for ministerial staff employed by his government are consistent with the guidelines issued by him on 19 October 1992; and further, that if breaches of the guidelines are found the ministers responsible will be asked to resign consistent with the precedent established by the resignation of the former Minister for Finance?

Mr KENNETT (Premier) — What an absolutely riveting question! I have had all the contracts examined today, not by my personal office but by the Acting Secretary to the Department of the Premier and Cabinet.

Mr Sheehan — Did they do it for the Auditor-General, as well?

Mr KENNETT — Well, you would know all about that — Old Shifty, the former Treasurer!

The SPEAKER — Order! I ask the honourable member for Northcote not to interject, and I ask the Premier not to respond to interjections.

Mr KENNETT — I have asked the acting secretary of my department to contact every minister’s office this morning and to have copies of every ministerial staff contract forwarded to him for his evaluation independent of my personal office, and that includes all the contracts for my own staff. I am happy to report that all the contracts conform with the guidelines laid down in circular no. 2 of 16 October 1992.

Mr Brumby — And you personally approved their appointment as required by the guidelines?

Mr KENNETT — Oh, dear, oh dear. He knows nothing. There are two areas in which there is a variance from the guidelines, and they are where a minister has entered into a contract in which the termination period is not two weeks, as I stipulated, but four weeks. I consider that to be far from a hanging offence. It is something that probably happened as a slip-up in normal administration, given that most periods of termination in the private sector are four weeks. I changed that to two weeks, and with those exceptions I am happy to say that every one of the contracts accords with the guidelines. They have been independently assessed.

I thank the Leader of the Opposition for this question and his interest in this issue. It is important that the questions he has asked in some form be raised, addressed and answered. The issue of this one contract has resulted in a minister resigning. Other issues will be fought or decided, appropriately, in a court of law.

As the Minister for Business and Employment has said, the government will continue to help the state to grow and will provide this community with good government. The bottom line is that in speaking to the community as I did yesterday and today, and as I also had the opportunity of doing on radio, it has been made clear to me that the Leader of the Opposition successfully picks on issues which make...
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interesting reading to members of the opposition and excite them for short periods but which the vast majority of the public do not see as — —

Mr Micallef — Front page of the Herald Sun!

Mr KENNETT — Yes, I have seen that. It makes good reading but it is not the issue on which the public will decide the next government. The people are looking for the opposition to produce one policy; to date it has not produced one.

Honourable members interjecting.

Mr KENNETT — Sorry, they have one policy. The Leader of the Opposition has one policy, and that is to legalise drugs. Outside of that there is not one example of leadership on any issue in this state affecting the lives of the community. The onus is on the Leader of the Opposition and his colleagues to deliver just one policy of substance. It is a party bereft of policy and leadership, and a party whose only claim to fame is that it speaks out on a personal question. The Leader of the Opposition is bereft of policy and stands as condemned today as he has been in the past.

GRAIN HANDLING AND STORAGE BILL

Second reading

Debate resumed.

Committed.

Committee

Clauses 1 and 2 agreed to.

Clause 3

Mr W. D. McGrath (Minister for Agriculture) — I move:

1. Clause 3, page 2, lines 11 to 14, omit these lines.
2. Clause 3, page 2, line 23, omit “26” and insert “19”.
3. Clause 3, page 4, line 6, omit “9” and insert “8”.

The amendments remove the definition of consumer price index in clause 3 and the date is changed from 26 May to 19 May to come into line with the direction under the State Owned Enterprises Act.

Amendments agreed to; amended clause agreed to; clauses 4 to 11 agreed to.

Clause 12

Mr W. D. McGrath (Minister for Agriculture) — I move:

4. Clause 12, page 7, lines 1 to 3, omit proposed sub-section (2) and insert —

“(2) An officer who accepts employment with the purchaser may elect during the transfer period to transfer the transfer amount to a complying superannuation scheme.”.

5. Clause 12, page 7, after line 23 insert —

“( ) If an officer —

(a) elects not to transfer a transfer amount to a complying superannuation scheme under sub-section (2); or

(b) fails to make an election in accordance with sub-section (2) —

the officer is deemed to have resigned from their employment with GEB on the completion date for the purposes of the State Superannuation Act 1988, the Transport Superannuation Act 1988 or the State Employees Retirement Benefits Act 1979 (as the case may be).

( ) For the purposes of the Superannuation (Portability) Act 1989, an officer to whom sub-section (7) applies is entitled by virtue of this section to elect to make an application in accordance with section 5 of that Act.”.

Amendments agreed to; amended clause agreed to; clause 13 agreed to.

Clause 14

Mr W. D. McGrath (Minister for Agriculture) — I move:

6. Clause 14, page 8, lines 3 and 4, omit “that prices are not discriminatory and”.

Amendment agreed to; amended clause agreed to.

Clause 15

Mr W. D. McGrath (Minister for Agriculture) — I move:

7. Clause 15, page 8, lines 31 and 32, omit “after 30 September 1994”.

8. Clause 15, page 9, after line 3 insert —
"(3) A change in the Consumer Price Index means the percentage calculated to two decimal places in accordance with the formula —

\[
A \times B \times 100
B
\]

where —

"A" is the consumer price index number for the quarter prior to the quarter in which the determination is to be made;

"B" is the consumer price index number for the quarter ending 30 September 1994;

"Consumer Price Index" means the all groups consumer price index number for Melbourne published quarterly by the Australian Bureau of Statistics."

Amendments agreed to; amended clause agreed to; clause 16 agreed to.

Clause 17

Mr W. D. McGrath (Minister for Agriculture) — I move:

9. Clause 17, page 9, line 22, after "on" insert "fair and".

Amendment agreed to; amended clause agreed to.

Clause 18

Mr W. D. McGrath (Minister for Agriculture) — I move:

10. Clause 18, page 10, after line 23 insert —

"( ) The Office must within 15 days of receiving an application under sub-section (1) give notice in writing to the person making the application or to any other person from whom the Office is entitled to require information under the Office of the Regulator-General Act 1994 specifying —

(a) any information that the Office requires the person to give so that the Office can make a determination; and

(b) a reasonable time within which the information must be provided."

11. Clause 18, page 11, line 4, after "application" insert "excluding the period of time between the day on which notice is given under sub-section (2) and the day on which the required information is received by the Office".

Amendments agreed to; amended clause agreed to.

Clause 19

Mr W. D. McGrath (Minister for Agriculture) — I move:

12. Clause 19, line 16, after this line insert —

"( ) The Office must within 20 days of receiving an application under sub-section (1) give notice in writing to the person making the application specifying —

(a) any information that the Office requires the person to give so that the Office can make a determination; and

(b) a reasonable time within which the information must be provided.".

13. Clause 19, line 18, after "application" insert "excluding the period of time between the day on which notice is given under sub-section (2) and the day on which the required information is received by the Office".

Amendments agreed to; amended clause agreed to.

Clause 20

Mr W. D. McGrath (Minister for Agriculture) — I move:

14. Clause 20, page 11, after line 33 insert —

"( ) The Office must within 20 days of receiving notice under sub-section (2) give notice in writing to the owner of the declared grain storage facility specifying —

(a) any information that the Office requires the owner to give so that the Office can make a determination; and

(b) a reasonable time within which the information must be provided."

15. Clause 20, page 12, line 2, after "notice" insert "excluding the period of time between the day on which notice is given under sub-section (3) and the day on which the required information is received by the Office".

Amendments agreed to; amended clause agreed to.

Clause 21

Mr W. D. McGrath (Minister for Agriculture) — I move:

16. Clause 21, line 20, after "person" insert "in the exercise of a reasonable right of access".

17. Clause 21, after line 20 insert —
“() A person who considers that his or her right of access to a significant infrastructure facility has been hindered in contravention of sub-section (1) may apply in writing to the Office for the making of a determination in accordance with section 26 of the Office of the Regulator-General Act 1994.

() If the Office determines that there has been a contravention of sub-section (1), the Office may make a determination that the person is entitled to access on such terms and conditions as are specified in the determination.”.

Amendments agreed to; amended clause agreed to.

Clause 22

Mr W. D. McGrath (Minister for Agriculture) — I move:

18. Clause 22, after line 25 insert —

“() The owner of prescribed services must make the financial records available to the Office when requested to do so by notice in writing given by the Office.”.

Amendment agreed to; amended clause agreed to.

Clause 23

Mr W. D. McGrath (Minister for Agriculture) — I move:

19. Clause 23, page 12, after line 33 insert —

“() Despite anything to the contrary in the Office of the Regulator-General Act 1994, the following applies to an inquiry conducted under this section —

(a) the Office must publish notice of the inquiry in a daily newspaper generally circulating in Victoria;

(b) the notice must specify —

(i) the purposes of the inquiry;

(ii) the period during which the inquiry is to be held;

(iii) the period within which members of the public may make submissions;

(iv) the form in which submissions may be made;

(v) details of public hearings;

(vi) the matters about which the Office is seeking submissions or intends to consider during public hearings;

(c) the Office must send a copy of the notice to such persons engaged in the regulated industry and other persons or bodies that the Office considers should be notified.

() If a provision of Part 4 of the Office of the Regulator-General Act 1994 is inconsistent with this Part, this Part prevails.”.

Amendment agreed to; amended clause agreed to; clauses 24 and 25 agreed to.

Clause 26

Mr W. D. McGrath (Minister for Agriculture) — I move:

20. Clause 26, omit the Division heading preceding this clause.

Amendment agreed to; amended clause agreed to; clauses 27 to 30 agreed to.

Clause 31

Mr W. D. McGrath (Minister for Agriculture) — I move:

21. Clause 31, page 15, line 22, after “Act” insert “or compliance with the Direction”.

22. Clause 31, page 15, line 26, after “Act” insert “or compliance with the Direction”.

23. Clause 31, page 15, lines 27 and 28, omit “vested in the Purchaser under the State Agreement and this Part” and insert “transferred to the Subsidiary because of compliance with the Direction”.

24. Clause 31, page 15, line 30, omit “Purchaser” and insert “Subsidiary”.

25. Clause 31, page 15, line 31, omit “so vests” and insert “is transferred”.

Amendments agreed to; amended clause agreed to.

Clause 32

Mr W. D. McGrath (Minister for Agriculture) — I move:

26. Clause 32, line 3, omit “Division” and insert “Act”.

27. Clause 32, line 5, omit “Division” and insert “Act or by way of compliance with the Direction”.

28. Clause 32, line 8, omit “the transferred property to the Purchaser” and insert “property to, or the
creation of any interest in or in favour of the Purchaser or the Subsidiary”.

Amendments agreed to; amended clause agreed to.

Clause 33

Mr W. D. McGrath (Minister for Agriculture) — I move:

29. Clause 33, omit the Division heading preceding this clause.

Amendment agreed to; amended clause agreed to; clauses 34 and 35 agreed to.

Clause 36

Mr W. D. McGrath (Minister for Agriculture) — I move:

30. Clause 36, lines 22 and 23, omit “such terms and conditions as are approved” and insert “the terms and conditions applying to GEB before that commencement as varied”.

31. Clause 36, line 29, omit “before” and insert “before”.

Amendments agreed to; amended clause agreed to.

Clause 37

Mr W. D. McGrath (Minister for Agriculture) — I move:

32. Clause 37, page 17, line 33, after “Act” insert “or done in compliance with the Direction”.

Amendment agreed to; amended clause agreed to; clauses 38 and 39 agreed to; schedules 1 and 2 agreed to.

Reported to house with amendments.

Remaining stages

Passed remaining stages.

DRUGS, POISONS AND CONTROLLED SUBSTANCES (AMENDMENT) BILL

Second reading

Mrs Tehan (Minister for Health) — I move:

That this bill be now read a second time.

The purpose of this small bill is to facilitate the admission of analytical evidence in proceedings under the Drugs, Poisons and Controlled Substances Act 1981.

Like a number of other acts, the Drugs, Poisons and Controlled Substances Act contains provisions designed to make it easier for factual evidence to be proved in court without the need for witnesses to be called. Section 119(b), for example, provides that a certificate signed by the president or any two members of the Medical Practitioners Board that a person was or was not registered as a medical practitioner at a certain date is prima facie evidence of the facts stated in the certificate.

The act also makes provision for the admission of the results of an analysis of a drug or plant. This is contained in section 120. That section provides, in part, that the production of a certificate signed by an analyst is sufficient evidence of the identity or quantity of the thing analysed and the results of the analysis, and that the production of a certificate signed by a botanist is sufficient evidence of the identity or quantity of the thing examined by the botanist.

‘Analyst’ is defined in the act as being a person employed as an analyst by the Victorian government, or an analyst under the Health Act 1958.

‘Botanist’ is defined as meaning the chief botanist or his or her delegate under the Royal Botanic Gardens Act 1991.

As I am sure there is no need for me to point out, the effect of these definitions is to preclude the courts accepting certificates issued by analysts or botanists in the other states and territories. Thus, if it is necessary to prove to a Victorian court the identity of a drug or plant that has been analysed interstate, either the analyst or the botanist must be called or the drug or plant reanalysed in Victoria.

Similar problems are, of course, experienced if the analysis is undertaken in Victoria and the results need to be proved in another jurisdiction. This problem was discussed at the 1992 Australasian Crime Conference and Seminar which in essence recommended that all states and territories enact comparable legislation enabling the courts to recognise certificates of analysis issued by analysts and botanists from other jurisdictions.

The recommendation of the seminar has been accepted by the Victorian government and accordingly the bill will obviate the need for analysts...
and botanists from other states and territories to be called if the results of their analysis are not in dispute. This will be achieved by extending the definitions of ‘analyst’ and ‘botanist’ in section 120 in a way which will enable classes of analysts and botanists employed or approved under interstate or territory law to be prescribed for the purposes of the Victorian act.

It is important to emphasise that the enactment of the legislation will not deprive a defendant of the right enshrined in section 120(2) of the act to have the analyst or botanist called if he or she wishes to contest the forensic evidence. Rather, the overall effect will be to enable certificates of interstate analysts and botanists to be admitted in proceedings if neither the prosecution nor the defence requires their personal attendance in court.

I commend the bill to the house.

Debate adjourned on motion of Ms MARPLE (Altona).

Debate adjourned until Thursday, 15 June.

EXTRACTIVE INDUSTRIES DEVELOPMENT BILL

Second reading

Mr S. J. PLOWMAN (Minister for Energy and Minerals) — I move:

That this bill be now read a second time.

This bill repeals the Extractive Industries Act 1966 and provides in its place a contemporary legislative framework for the administration of extractive industries in Victoria. This bill is further evidence of the governments commitment to providing a legislative framework which gives greater certainty to industry while recognising the need to protect the environment and other community interests.

The bill is an important step in implementing the governments response to the Environment and Natural Resources Committee (ENRC) report on planning issues for extractive industries. The committees report, which contained 36 recommendations, was comprehensive and detailed. I wish to thank all the members of the committee for their consideration of the complex and difficult issues they faced. In its response to Parliament on 8 December 1994 the government accepted many of the recommendations as proposed. In some instances a recommendation was accepted in principle but with a different proposed implementation. A number of recommendations accepted by the government require administrative rather than legislative change. Separate action is being taken on these matters.

The extractive industry in Victoria plays an important role in the Victorian economy in the provision of rock, sand, gravel and other products to the construction and allied industries. It is essential that the industry is able to plan its operations with certainty and is able to produce competitively priced rock products for the benefit of the entire community. Extractive operations can only be established where stone resources are located and this can result in potential conflict with other land uses. The bill and the administrative changes referred to will enable all factors and interests to be considered in the planning approval process so that balanced decisions are reached.

In parallel with this legislation, the Minister for Planning will insert a section on extractive industries in the state section of all planning schemes. This will establish the importance of stone resources, identify extractive industry areas where future stone resources may be worked and ensure that planning permits for quarrying operations are granted for the life of a resource except in particular circumstances.

The bill not only implements those recommendations of the ENRC report accepted by government which require legislative change but also makes further changes to provide a better legislative framework for the industry.

I would now like to refer to specific provisions of the bill.

OWNERSHIP OF STONE

The bill provides that ownership of stone is retained by landowners. Consent of the landowner must therefore be obtained in order to establish an extractive industry. In the case of Crown land the Minister for Conservation and Environment and the Minister for Natural Resources will be deemed to be the relevant landowner. Where Crown land exists below freehold land (that is, where the land has been alienated from the Crown only to a limited depth below the surface, normally 15 metres) no further consents and approvals will be required if they are in place for the freehold land above. However the bill provides that in this situation royalties will continue to be paid to the Crown.
EXTRACTIVE INDUSTRIES DEVELOPMENT BILL

Thursday, 1 June 1995

PLANNING APPROVALS

Applications to undertake extractive industry operations will in future be through the planning process. The Extractive Industries Board and the existing extractive industry licensing system are both abolished as a consequence of the bill. This will greatly improve the approvals process for extractive industry proposals.

Review and appeal of planning permit decisions will be through the Administrative Appeals Tribunal. The Department of Agriculture, Energy and Minerals will be a referral authority and will advise the responsible planning authority whether a satisfactory work plan has been lodged. The department will also recommend to the responsible authority any conditions that should be placed on the planning permit, if granted.

Also, to provide an integrated single approval process for all developments the Minister for Planning has introduced proposed amendments to the Planning and Environment Act which provide broader powers to call in planning permit applications when environment effects statements are required. These powers can be used in the case of major extractive industry proposals.

EXEMPTED OPERATIONS

The bill enables the minister by declaration in the Government Gazette to exempt categories of extraction from all or part of the provisions of the bill. A declaration based on recommendations of a representative working group including relevant government departments, industry and local government will be made simultaneously with the bill coming into effect.

It is not intended that this bill apply to excavations such as excavations for building foundations and road cuttings undertaken by Vicroads and local government. These are expected to be exempted from the new act.

PLANNING SCHEME AMENDMENTS AND PERMITS

In some cases stone resources have been identified in locations where extractive industry is prohibited under local planning schemes. The bill empowers the Minister for Planning to undertake planning scheme amendments to change a provision of a planning scheme which prohibits the use of land for extractive industry. This will enable extractive industry to become a permit required use. This provision will not be used to amend planning schemes in the case of urban zones where it would not be practical to establish an extractive industry. In other areas it will enable extractive industry applications to be considered through the normal planning approvals process.

WORK AUTHORITIES

The requirements that must be satisfied before quarrying can commence are the consent of the landowner, planning approval, lodgment of an approved work plan including rehabilitation provisions, lodgment of a rehabilitation bond and, where relevant, the consent of a holder of a licence under the Mineral Resources Development Act. Once those requirements have been satisfied the minister must grant the work authority so that quarrying can commence. The bill also empowers the minister after consultation with the operator to add, delete or vary conditions on the authority.

The minister will also be able to revoke a work authority for the more serious breaches of the act or the authority. Also the minister can revoke the work authority for breaches of any planning permit. In all cases a notice must be served giving the operator opportunity to show cause as to why such revocation should not occur. A person who is aggrieved about a decision to revoke an authority may seek a review of that decision through the Administrative Appeals Tribunal. In the event of a planning approval or landowners consent ceasing to exist the work authority will lapse.

REHABILITATION AND REHABILITATION BONDS

The government is committed to ensuring that quarries are rehabilitated to a safe and stable landform. The work plan that must be approved prior to the grant of a work authority must also contain a rehabilitation plan that must be approved along with the work plan. The extensive periods of time involved in the completion of quarrying operations usually mean it is not feasible to state at the application stage what the end use of a particular site may be. An approved work plan will nevertheless specify a range of end use options. At completion of quarrying operations the end use proposed for the site including any landfill operation will be subject to the planning process.

The bill requires the lodgment of rehabilitation bonds as security in the event of default by the
operator. The minister may utilise the bond to have
the rehabilitation undertaken where an operator has
defaulted and may also seek additional funds from
the consolidated fund where the bond money is
insufficient. Any residual debt due to the Crown
may be recovered through the courts.

In order to limit the cost burden on the industry and
reduce administrative costs the bill provides that an
operator of more than one site may lodge a single
rehabilitation bond which covers all sites. This
system has been applied effectively by the
Environment Protection Authority in the case of
companies which operate more than a single landfill
operation.

INSPECTION AND HEALTH AND SAFETY
PROVISIONS

The bill provides for the appointment and
empowerment of inspectors to ensure compliance
with it. A system of infringement penalties for less
serious breaches of the act is provided that is not
available under the current act.

RELATIONSHIP WITH MINERAL RESOURCES
DEVELOPMENT ACT

The bill eliminates the current provisions whereby
mineral development under the MRD Act can be
frustrated by competing extractive industry
operators or applicants. Holders of a licence under
the MRD Act will be able to refuse consent to a work
authority for extractive industry proposals.
However, in the case of exploration licence-holders a
decision by the holder of the licence to refuse
consent can be overturned by the minister where
such consent is unreasonably withheld. Should a
licence-holder wish to access the area of an
extractive industry operation, that licence-holder
must compensate the extractive industry operator as
they would any other occupier of land under the
MRD Act.

SEARCH PERMITS FOR STONE ON CROWN
LAND

The bill continues existing provisions enabling the
grant of permits to search for stone on Crown land.
Access to Crown land for this purpose will be on the
same basis as for exploration under the MRD Act.
Areas such as national parks, state parks, wilderness
areas and reference areas will not be available. Other
sensitive areas will be treated as restricted Crown
land and will require the consent of the Minister for
Conservation and Environment or the Minister for
Natural Resources.

SEARCH FOR STONE ON BEHALF OF THE
CROWN

The bill also continues the provision whereby the
minister can, on behalf of the Crown, authorise entry
onto private land for the purposes of searching for
stone. However, the Crown must reach agreement
with any relevant landowner as to compensation in
the event of damage to property and, in the absence
of any agreement, compensation will be determined
by the Magistrates Court.

TRANSITIONAL PROVISIONS

The transitional provisions in the bill have been
drafted to ensure that current operations under
extractive licence or lease can continue legitimately
and are therefore deemed to have a work authority
in place. Existing new applications and applications
for renewals will be processed in accordance with
the provisions of this bill. Any current planning
permit which has been granted for a finite term must
be renewed upon expiry.

COMPENSATION FOR PERSONS DIRECTLY
AFFECTED BY QUARRY OPERATORS

The government rejected the recommendation of the
Environment and Natural Resources Committee that
a levy be imposed on quarry production with
subsequent payment into a community facilities
fund. The government undertook to examine
existing compensation mechanisms that may be
available whereby persons directly affected by
quarry operations could be compensated.
Compensation mechanisms exist under the Planning
and Environment Act, the Land Acquisition Act and
the Mineral Resources Development Act. However,
none of these provisions is capable of addressing
satisfactorily all the issues associated with any
adverse effects on property owners arising from the
establishment of extractive industry operations.
With the adoption of specific performance standards
at the boundaries of quarry sites and internal
buffers, any adverse impacts on properties will be
more effectively controlled. A monitoring group
consisting of relevant government agencies, industry
and local government representatives will be
established to assess the effectiveness of these
measures and the need for any specific
compensation mechanism.
This bill is the product of extensive consultations over the past 18 months. I thank all interested parties for the contributions they have made. The bill will now lie over during the parliamentary recess to allow all interested parties to examine its detailed provisions.

I commend the bill to the house.

Debate adjourned on motion of Mr HAMILTON (Morwell).

Debate adjourned until Thursday, 15 June.

ROAD TRANSPORT CHARGES (VICTORIA) BILL

Second reading

Mr BROWN (Minister for Public Transport) — I move:

That this bill be now read a second time.

The purpose of the Road Transport Charges (Victoria) Bill is to adopt uniform national road charges for heavy vehicles. The bill affects vehicles with a gross vehicle mass (GVM) over 4.5 tonnes. The bill does not affect the granting of concessions or the charging of administration fees in Victoria.

The adoption of uniform national charges is a requirement under the heavy vehicles agreement which was struck in 1991 between the commonwealth, the states and the territories. Following the agreement, the National Road Transport Commission (NRTC) was established in 1992 to develop a national package of transport laws that improve transport efficiency, enhance road safety and reduce the costs of administration. A further intergovernmental agreement relates to light vehicles.

The agreements established the following key features for the process of adopting uniform legislation:

the establishment of a ministerial council;
the development of appropriate NRTC-sponsored heavy and light-vehicle legislation;
template legislation to be introduced first into the Australian Capital Territory and subsequently adopted by the remaining jurisdictions through specific adopting legislation;
the passage by the Parliaments of the states and territories of appropriate legislation to ensure that the existing legislation of those jurisdictions does not conflict with the template legislation enacted in the ACT.

The intergovernmental agreements require the enacting of template legislation. The rationale for template legislation is that it ensures uniformity or consistency on a continuing basis. The legislation is passed through one Parliament and then adopted by other Parliaments through adopting acts which reference the legislation. If and when amendments are made to the legislation they are automatically applied in all jurisdictions through the initial adopting acts. This process ensures continuing uniformity.

In 1992 the Ministerial Council for Road Transport approved the heavy-vehicle charges determination submitted by the NRTC. The charges are intended to recover the cost of road use only, incorporating access and mass-distance charges. They do not relate to the costs of administrative transactions by road authorities. Transaction fees and rebates — concessions — are explicitly excluded from the provisions of the Road Transport Charges (ACT) Act 1993. The bill before the house is consistent with the template process and adopts the charges in the Road Transport Charges (ACT) Act 1993 as amended from time to time.

The charges adopted through the bill are based on the number of axles on a vehicle whereas in Victoria the charges to date have been made on the entirely different basis of power-mass units — horsepower. Significant systems development within the Roads Corporation has therefore been necessary to enable the implementation of the charges. The bill does not affect the granting of concessions. In view of the limited distances travelled by heavy vehicles operated by primary producers, the government intends to grant concessions on the prescribed fees to those road users. The bill will need to operate in conjunction with regulations under the Road Safety Act and is planned to come into effect on 1 January 1996.

I wish to comment on the bill in the context of the April 1995 agreement of the Council of Australian Governments to implement the national competition policy and related reforms. Under the conditions of the payments to the states in the agreement is the
obligation to demonstrate effective observance of the agreed package of road transport reforms. The adoption of national charges through this bill is an important element in the agreed package of road transport reforms and one awaited keenly by the road transport industry.

I commend the bill to the house.

Debate adjourned on motion of Mr HAMILTON (Morwell).

Debate adjourned until Thursday, 15 June.

UNIVERSITY ACTS (FURTHER AMENDMENT) BILL

Second reading

Mr HAYWARD (Minister for Education) — I move:

That this bill now be read a second time.

The purpose of the Bill is to make amendments to the acts establishing Victorian universities and to the Victorian College of the Arts Act 1981, to provide for an extension of borrowing powers, changes in company formation procedures, decision-making mechanisms using new forms of communication and miscellaneous other amendments and to streamline the administration of tertiary institutions and remove unnecessary constraints on their operations.

Victoria’s universities are a vital part of this state’s education system, and their continued effective functioning is of central importance to our cultural and economic development. The context within which they operate is changing significantly, given the increased interaction with industry in research and development, a shift from a highly selective system to a mass system directly serving a large section of the community, and relationships with academic communities throughout the world.

New forms of communications technology are changing arrangements for teaching and increasingly impacting on research activities and on universities’ arrangements for administration and academic support. The changes are particularly significant for the large multi-campus institutions which have emerged over the past few years. The importance of new forms of communications technology in administration and decision making extends to arrangements for links with local communities, academic and community-based advisory bodies, and the activities of university councils.

Universities are now large business enterprises as well as academic communities and their sources of revenue are becoming increasingly diverse. It is important that they have the capacity to manage their financial affairs on proper commercial bases and to form companies and enter joint ventures with commercial partners with the minimum of government oversight consistent with proper accountability.

In the spring session of Parliament last year amendments were made to the acts establishing the University of Melbourne, the Victoria University of Technology and the Royal Melbourne Institute of Technology, to remove the requirement of ministerial approval for the formation of companies, to extend borrowing powers and to make certain other amendments to improve efficiency. In this bill the provisions relating to company formation procedures and borrowing powers are extended to the other universities and provision is made for the use of electronic and other forms of communication by councils and other key bodies within the universities without requiring members to be physically present in meetings. Other specific amendments required for the particular universities concerned have also been provided for.

MAJOR PROVISIONS OF THE BILL

Part 1 of the bill specifies its purpose and provides for the commencement. Part 2 makes changes in the Monash University Act 1958. The bill extends borrowing powers and modifies company procedures consistent with changes made in other universities last year and provides for resolutions without meetings of the council or academic board and for approved methods of communication. It extends the powers of the university to affiliate with other institutions beyond educational institutions to include other institutions, organisations or bodies that assist in attaining the objects of the university. Provision is made to make it clear that the council may in a prescribed manner revoke academic awards.

Part 3 of the bill amends the Melbourne University Act 1958. It provides for resolutions without meetings of the council or academic board and approved methods of communication, and makes other consequential amendments resulting from changes to council membership provisions made last
UNIVERSITY ACTS (FURTHER AMENDMENT) BILL

Thursday, 1 June 1995

ASSEMBLY

year. Part 4 of the bill amends the La Trobe University Act 1964 to make it possible for a number of matters to be specified by regulations under statutes rather than by statutes and modifies the provisions for the terms of office of council members so that changes in membership occur at the standard date of 31 December. This part also makes provision for resolutions without meetings of the council or academic board and provides for approved methods of communication. The bill incorporates the same provisions relating to borrowing powers and company formation procedures as apply at other universities. The bill makes it clear that the council has the power to revoke academic awards, and it makes other minor amendments.

Part 5 of the bill amends the Deakin University Act to include the provisions relating to resolutions without meetings of the council and academic board as well as to methods of communication, and modifies borrowing and company formation procedures as for other universities. It, too, provides for the affiliation of organisations other than educational ones to assist in attaining the objects of the university. The council is increased in size by the addition of two external members appointed by the Governor in Council to assist in achieving community representation across the wide geographical area served by this multi-campus university.

Part 6 of the bill amends the Victorian College of the Arts Act 1981 to remove an age restriction for members of the council. The provisions for resolutions without meetings of the council or Board of Studies and for approved methods of communication are also included. Other amendments are made to ensure consistency with organisational arrangements involving the provision of academic programs leading to awards being granted by the University of Melbourne under the terms of the affiliation arrangement between the college and that university. Part 7 of the bill amends the Victoria University of Technology Act 1990 to provide for resolutions without meetings of the council and academic board and for approved methods of communication and extends the affiliation powers as for other universities.

Part 8 of the bill amends the Swinburne University of Technology Act 1992 to provide for resolutions without meetings of the council, academic board or Board of TAFE and for approved methods of communication for these bodies. The bill amends the borrowing powers and company formation procedures consistent with changes made for other universities. In addition, this part removes the provisions limiting the number of terms which members of the council can serve and modifies the electorate for members of the general staff of the university to ensure that all members of staff enrolled in that category are included in council elections. Provision is made to ensure that land granted to the university by the government cannot be disposed of without the approval of the minister. At this university, as for La Trobe University, provision is made for a standard date of completion of the terms of appointment of the members of council.

Part 9 of the bill amends the Royal Melbourne Institute of Technology Act 1992 to provide for resolutions without meetings of the council or academic board and for approved methods of communication for these bodies consistent with other acts. A similar provision to that included elsewhere extends the affiliation powers to include non-educational institutions.

Part 10 of the bill amends the University of Ballarat Act 1993 to provide for resolutions without meetings of the council and academic board, for approved methods of communication and for the amendments to the borrowing powers and procedures for the formation of companies, as for the other universities.

In several of the acts amendments are made to provisions governing the investment of trust funds to provide for consistency in the powers at all the universities in line with the procedures established at the University of Melbourne, Monash University and La Trobe University. A further change in the Monash, Melbourne, La Trobe and Deakin acts removes a requirement for the presentation of annual reports to the Governor since provision is made elsewhere — as for the other universities — for the presentation of these reports to the minister and their tabling in Parliament.

The changes which have been made have been the subject of discussions with Victorian universities for some time. I am confident that they will result in improved efficiency and streamlined procedures which will assist the institutions in carrying out their vital roles of teaching and research and support for communities throughout Victoria and elsewhere.

I commend the bill to the house.

Debate adjourned on motion of Mr HAMILTON (Morwell).
Debate adjourned until Thursday, 15 June.

TREASURY CORPORATION OF VICTORIA (HOUSING FINANCE) BILL

Second reading

Debate resumed from 10 May; motion of Mr STOCKDALE (Treasurer)

Mr LEIGHTON (Preston) — The bill transfers the capital market liabilities of the home opportunity loans scheme to the Treasury Corporation of Victoria and transfers the remaining assets and liabilities of the scheme, other than the capital liabilities, to the Director of Housing. Consequently, the scheme’s structure will be terminated.

The opposition does not oppose the transfer of the capital liabilities to the Treasury Corporation of Victoria. We have no quarrel with Treasury Corporation of Victoria, arguing that the Auditor-General has inserted in the bill transferring the capital liabilities to the Treasury Corporation of Victoria. We have no quarrel with Treasury Corporation of Victoria.

I desire to move:

That all the words after ‘That’ be omitted with the view of inserting in place thereof the words ‘this bill be withdrawn and redrafted to provide for — (a) relief and assistance for clients of government home finance schemes; and (b) a fair and equitable process to resolve the claims of clients who are in dispute with the scheme and the outstanding claims of former clients’.

I shall proceed with the reasoned amendment, but if it fails we will not oppose the second-reading of the bill. The restructure announced by the Minister for Housing in January last year, together with the partial restructuring of the shared home ownership scheme, has not remedied the problem, given the increasing deficit being incurred by the government on the operation of the scheme. It has not resolved the plight of many hundreds of individual borrowers.

In both respects the restructure has failed. If they continue with their current arrangements and repayments, many individual borrowers will end up owing principal amounts of $1 million or more on their own homes. In one case I will refer to later, the loan forecast shows the borrowers will owe $11 million on their home! That situation has not been remedied.

Although the precise figure is not publicly known, many hundreds of borrowers have been evicted, and the government’s approach has been to aim at restructuring at borrowers who are in good financial states to stop them exiting the scheme. Until those people sign up under the restructure they will incur no financial penalties for exiting the scheme and going to banks, building societies or other institutions. If those borrowers exited the scheme the government, which has borrowed in block amounts, would be left holding the money and paying a fairly high rate of interest on it. It has clearly not been in the government’s interests to have people who are in good financial shape exiting the scheme.

The restructure has been aimed primarily at stopping those people leaving the scheme, yet the government’s approach to people who are in desperate financial circumstances has been to send them under and evict them as quickly as possible. The restructure has been aimed at borrowers who are in good financial shape, not those who are in poor financial shape.

When one looks at the increase in the operating deficit of the scheme it is obvious that the restructure has not worked. I will shortly refer to more detailed figures, but over the past couple of years the deficit has increased by many millions of dollars. To see that one has only to look at the amount of money the government is being forced to set aside to meet future liabilities, which is also an admission that the restructure has not worked.

I turn to examine the structure of the home opportunity loans scheme. The scheme is managed by National Mortgage Market Corporation Ltd, which is now owned by the Bendigo Building Society. Home Opportunity Loans Scheme Ltd obtains funds from Victorian Housing Scheme Ltd. That company issues housing bonds which are indemnified by the Director of Housing and then on-lends them to the Home Opportunity Loans Trust. That is the current structure of the scheme.

The bill transfers the capital liabilities of the fund to the Treasury Corporation of Victoria, which affects the following liabilities and assets. The bill effects...
the transfer of some $850 million of capital liability to the Treasury Corporation of Victoria. That consists of $300 million in medium-term notes at 12 per cent, maturing in 1996 and 1997, and a $550 million annuity, which is capital indexed at an average real interest cost of 6 per cent and which runs out in 2019. The remaining debts and assets are to be transferred to the Office of Housing, and the Director of Housing will hold the mortgages. The portfolio is running down at a rate of between $60 million and $70 million a year. I point out that we are talking about various types of government home loans - home opportunity loans scheme loans, shared ownership scheme loans and priority property scheme loans.

I now refer to the Auditor-General’s report into ministerial portfolios, which was tabled two days ago. The Auditor-General made four key findings on the home opportunity loans scheme. The first is:

The scheme’s operating result continued to deteriorate during the past financial year, with its deficit increasing from $2 million in 1992-93 to $13 million in 1993-94, which was in line with departmental estimates.

The second key finding is:

A decrease in the level of prepayments resulting in loan discharges and in the level of loan arrears indicates a stabilisation of the financial base of the scheme resulting from its restructure.

Although the Auditor-General says it is stabilising in that way, he says in his first finding that the operating result has continued to deteriorate. It is clear from the Auditor-General’s figures that the scheme has a substantially growing deficit. All he is saying in his second finding is that the number of people leaving the scheme is stabilising — but the scheme is still running down at the rate of $60 million to $70 million a year.

The Auditor-General’s third key finding is:

The total net contributions made by the state to the scheme since its inception totalled $59 million.

It is worth noting that the government has now had to set aside $90 million to meet the scheme’s future liabilities. The fourth key finding is:

In its endeavours to further enhance the performance and management of the scheme, the government has recently introduced a number of initiatives.

Later in his report the Auditor-General talks about matters ranging from the proposed introduction of a bill into Parliament — obviously a reference to the bill before the house — to the government’s restructuring of the scheme. The restructure has not worked either to address the ongoing liability of the government or to ease the plight of individual borrowers.

I now turn to some of the specific figures referred to in the report. Firstly, in dealing with the financial position of the scheme paragraph 3.8.11 at page 174 states:


The paragraph continues:

Loans secured via residential mortgages totalling $11 000, representing a decrease of 1400 loans in the 12-month period to 31 December 1994; and

total liabilities of $886 million ($893 million at December 1993) mainly represented by outstanding long-term borrowings.

That is really just a statement of the assets and mortgages held. I will now read one of the most important findings. Paragraph 3.8.12 states:

The scheme’s operating result continued to deteriorate during the last financial year with its deficit increasing from $2 million during 1992-93 to $13 million in 1993-94, which includes the cost of the restructure to 30 June 1994 of approximately $2.5 million.

Over the past two years under this government the operating deficit has increased from $2 million to $13 million. But that is not the end of the story. As the Auditor-General points out in paragraph 3.8.14:

During the first six months of the 1994-95 financial year the scheme incurred an operating deficit of $9.5 million, including bad debts written off of $2.5 million. This result was broadly in line with departmental projections. In addition the review identified that the level of prepayments resulting in loan discharges reduced from 1353 with a value of $97 million for the year ended 31 December 1993 to 723 with a value of $46.5 million for the year ended 31 December 1994.
But even that operating deficit of $9.5 million for the first six months of this financial year is not the end of the story. If one looks at an earlier paragraph of the Auditor-General's report, one finds that paragraph 3.8.13 states:

At the time of the scheme's restructure it was anticipated by the department that little improvement would be evident in the costs to the state of administering the scheme during the succeeding five years. Specifically it was projected that the scheme was incurring an operating deficit of $21 million during 1994-95.

As a deficit of $13 million over the past two years was not bad enough, what the Auditor-General is saying and the department is conceding in its projections is that there will be an operating deficit of $21 million in the current financial year. I put it to the house that that is hardly a successful restructure, particularly not in the ongoing liabilities of the government. On top of that, because of the deteriorating situation — it is the Auditor-General who says the situation is deteriorating — the government has had to set aside more funds to meet its future liabilities, and that is picked up by the Auditor-General in paragraph 3.8.20 of his report:

The department has set aside funds in a specific purpose capital support account to meet any future funding needs of the scheme. The total of such funds at 31 December 1994 was $90.3 million (31 December 1993, $67.5 million).

Over a 12-month period the government has had to increase funds to meet its future liabilities from $67.5 million to $90.3 million. Even if one accepts that the Auditor-General has been given the full information, his report presents a pretty grim picture of the state of the fund. But what I wonder is whether the department has revealed to the Auditor-General its entire obligations, and that is not clear to me from reading his report.

It is not clear in a couple of areas. One is that a number of borrowers and former clients who have defaulted and been evicted from their homes have engaged law firms to assist them. Legal action on the ground of misrepresentation is being considered and it is fair to say that writs may be issued. Of course, one does not know what the outcome of such legal action would be, and perhaps one should not prejudge it, but the department would by now be aware that a number of borrowers have engaged solicitors and that potentially it has a liability. If such clients were successful in their legal actions the government could incur liabilities of millions of dollars, but it is not clear to me on reading the Auditor-General's report whether he has taken that into consideration, or indeed whether the department has notified the Auditor-General that there may be a liability.

The second point that is not clear on my reading of the Auditor-General's report is just what information he was given on loan forecasts for individual clients. Some of those loan forecasts make grim reading. I have examples ranging from one borrower who could end up owing $1.8 million on his house to another borrower who, if things continue as at present, could end up owing $11 million on his home. If that happens those borrowers will never be able to repay those funds and they will be liabilities incurred by the government. Just one liability of $11 million starts to make the government's identified liability of $90 million look a bit sick, and I just wonder whether the possibility of legal action and the loan forecasts for individual borrowers have been made clear to the Auditor-General.

The problems with the scheme are not unique to Victoria. A number of schemes in other states have run into serious trouble, but it is important to say that originally the schemes were well intended. They were promoted out of the best intentions to assist people on low incomes — in fact to assist people who ordinarily had no hope or expectation of being able to own their own homes — and to assist people who had very little capacity to get ordinary mortgages through the normal range of institutions such as banks and building societies. I guess that is where the schemes ran into trouble, particularly because they were based on a number of assumptions that turned out not to be correct.

The first problem was that many borrowers were locked into high fixed rates of interest. The assumption behind that was that there would be a continuing high rate of interest, and if there had been perhaps they would not have had such a bad deal. However, as we all now, over the past couple of years home loan interest rates have come down by quite a few per cent. Perhaps that was not entirely expected and the original assumption was not totally unreasonable, but as a result people found themselves locked into high rates of interest.

One of the problems that presented for the government was that because there were no penalties for exiting the scheme early, those who were in better financial shape could prepay and...
TREASURY CORPORATION OF VICTORIA (HOUSING FINANCE) BILL

Thursday, 1 June 1995

real interest rate on the loan of 7.5 per cent and a CPI rate of 4 per cent, the interest charged on the loan by now would be $32,443 and the outstanding principal owed on the house would be $288,779. The loan forecast, which is for every 12 months, continues until the last date I have, 1 January 2028. Again, on the basis of a real interest rate on the loan of 7.5 per cent and a CPI rate of 4 per cent, by this stage the interest charged on the loan would be $210,617 per annum. One can see just how that figure continues to balloon out. Not surprisingly, by the year 2028, when perhaps you or I could hope that we would have discharged our mortgages, far from having paid off the house, this borrower would owe a principal of $1,893,086.

Once it gets to that stage it is just a joke for these sorts of borrowers. It does not really matter whether you owe $100,000 or $1.8 million; obviously you have no capacity to pay. For borrowers like that, if it were to continue, quite simply it would be a liability incurred by the government.

Later in my contribution I will look at a further loan forecast that I believe is even more serious for the government because that person has not restructured the loan arrangements. If the person stays in the loan, in the years to come the liability will be $11 million.

I will now look at statements outlining the experiences of individual borrowers. In some cases I have had personal contact with them; in other cases the statement and the information have been provided to me by the mortgage review task force. I thank it for the assistance it has given me. The first statement concerns a borrower from Geelong, who has this to say:

In 1989 the HOL offered me a loan in conjunction with a priority property settlement-deep subsidy Loan. This targeted separated low income custodial parents. This program allows those who are involved in property settlement the opportunity to pay out the other party or to repurchase a property. Preference is given to the custodial parent... To address this problem the ministry offers a larger loan amount and further interest concessions for the first three years. (see deep subsidy notice attached).

Then it lists a purchase price of $74,500, a loan of $65,000 and a deposit of $9,500. The repayments are:

For the first year, $2,460 at a repayment rate of $51 per week; in the second year, $2,544 at a repayment rate of $52 per week; and in the third year, $2,640 at a repayment rate of $55 per week,
giving a total repayment over the first three years of $7674. The statement goes on to say:

The repayments do not cover the interest, so the amount of the loan was increasing over the subsidised three-year period. (See mortgage loan). After three years the initial loan is $65,000, unpaid accumulated interest is $7300, and the current loan amount is $72,300.

For the ‘preference’ of being a client of the home opportunity loans scheme, including the ‘deep subsidy’ concession, I have now lost my deposit of $9500 and accumulated interest of $7300, totalling $16,800. This has occurred because now, three years later, when the subsidy is finished, I find myself unemployed and the current market value of my home almost, if not equivalent to the mortgage owed. When I signed the loan papers I was on a supporting parent’s pension and unemployed. The document assumed I would increase my income and that house prices would not decrease. I assumed these things as well.

Now there is a climate of depressed value of residential properties and the highest unemployment in 60 years.

Options: these are presented to me by the HOL after the ‘concessional’ term.

Increased instalments to maintain HOL at the new rate of interest. Projected income needed $504 per week with repayments of $590 per month.

The borrower says:

I am not in paid employment.

Of course she has no capacity to pay $590 a month.

Conversion to shared home ownership with HOL. This depends on increased income. (My only immediate income is supporting parent’s pension: a maintenance court order was taken out two years ago but as yet still no payment from the children’s (aged 8 and 5) father in NZ.

Sell property now. If I sell the property privately the ministry will offer no ‘priority’ or assistance in finding rental accommodation.

Sell property to ministry — if they will buy it. With the sell now option more than likely all investment will be lost and a probable debt to HOL. (Independent responsibility for my family’s accommodation would be unlikely, possible future long-term dependency on ministry for accommodation.)

Continue with current payments. Even higher escalation of costs. Home eventually sold with an even higher debt to HOL.

Additional options mentioned in telephone conversations were:

Rental accommodation. This would require the Geelong office of Ministry of Planning and Development to buy my home, then my family would rent it. This would depend on the value of the home and if the Geelong branch could acquire it. (Possible shortfall and debt to HOL after paying for costs of sale.)

Sell the home to the Geelong branch: they would offer ‘priority’ on renting list (priority definition not clear yet) to my family. The ministry would have another long-term reliant client. (Still a debt to pay HOL.)

In other words the HOL scheme targeted custodial parents, took their deposits and used it to ‘subsidise’ their own accommodation costs over the three-year ‘concessional’ period. The ministry and HOL now give options that would put me in debt to them even more. This is the result of ‘preference’: unemployment, inability to collect so far maintenance from children’s father, the depressed home market and documents that did not make clear the ministry proposed options if unemployment and declining home values existed at the end of the concessional three years.

In her summary she says:

So I invested $9500, paid mortgage of $7644, incurred interest of $7300, total $24,474 over three years. That is approximately $165 a week rent. That’s a lot for a female supporting parent on a pension to pay especially with no other paid work and no other savings.

That is the experience of one borrower. I will now examine the experience of another borrower and this time I shall put the person’s name on record because she has made public statements about her circumstances including making this document available publicly. Her name is Ms Sandra Law. hers is an interesting case. She had a lot of contact with me last year. At that time she provided me with this statement. Ms Law was one of hundreds that were due to be evicted from their houses, but she was not taking it lying down. She fought back publicly. She had been in touch with the media and the media was going to film her eviction from the house. While the government may not care about the plight of these sorts of people it did care about receiving negative publicity. When it found out that
the media were going to film the eviction it put off her eviction — not out of any care, compassion or to see if there was any way to resolve her case. It simply postponed her eviction so that it was not done in the glare of television lights. I shall not read her entire statement of five pages but I will select parts of what she has to say about her experience:

In August of 1988 I was 26 years old, single, working as a bookkeeper and five months pregnant with my daughter Amy.

Like most Australians I had a dream of some day owning my own home, but as a single mother it didn't seem very likely, so I approached the Ministry of Housing for a home to rent.

They suggested I apply for a home opportunity loan. It seemed too good to be true that I may actually be in a position to buy a home for myself and my baby.

I was more than willing to take up the responsibility and obligations that go with purchase of a home. I figured I had nothing to lose, so I applied for the loan.

I was interviewed in March 1989, and I was so excited to be granted the loan. I'd expected to wait for years, yet only months after applying, I was out hunting for our new home.

I bought a three-bedroom weatherboard house in Mooroolbark, and I was just so happy when we were finally able to move in, in May 1989.

The loan sounded fantastic, and when my son was born in May 1990 I don't think there was a happier woman than me in the whole of the country!

I approached my retailer about having my payments reduced for the 12 months I was planning on being off work.

That was my first shock about the loan. The retailer explained that after the 12 months, my repayments would go back to their previous level, plus the CPI increase for that year, regardless of what my new income was.

I remember discussing specifically with him at the time of taking the loan, that my repayments would be directly linked to my income for the term of the loan. This was confirmed in the literature I had. I was a bit worried that the rules appeared to have changed, but was still confident enough in the loan to go on.

I was doing a lot of work to our house at this time. I'd repainted inside and out, laid new carpet right through, shovelled two truckloads of stones to resurface the driveway, redone the front garden with weed mat, a sprinkler system and a truckload of garden mulch.

I worked really hard, but I was so proud of our home and the fact that I was actually buying it for my children.

My interest rate varied enormously — going up by almost 300 per cent at times. This seemed unbelievable for a 'safe' government loan designed specifically for low income earners!

The information we'd been given regarding the loans was incredibly complicated, and it took me quite a while to work out what was going to happen to my loan. The more I understood, the more concerned and angry I became.

I will skip over a few paragraphs of her statement. A little later she says:

But the real crunch was that I'd have to commit around 43 per cent of my income in repayments under the SHOS scheme, and that figure was unacceptably high to the ministry. I pointed out that I was paying around 65 per cent of my income, and that was apparently okay. He told me that the ministry only sees issues as black and white, and I had no option but to sell or go on as I was. Once again, I left his office in tears.

She was talking to a Mr Collins. The document continues:

I got a part-time job, though I knew that working actually made no difference to the eventual outcome of the loan. At some point my repayments would overtake my income, and my principal would continue to balloon out until that happened.

I was finding it harder and harder to manage, and I had other debts mounting up as well. I cashed in my superannuation, took finance out on my car, and sold some of my possessions, just to keep up the payments.

Mr Clark — On a point of order, Mr Acting Speaker, the honourable member is quoting from a document from which, presumably for brevity, he is reading only extracts. I wonder if he would be prepared to make a copy of the entire document available to the house.

Mr LEIGHTON — Yes, I would be happy to do so. I have only about four more paragraphs to read,
When the sheriff's letter arrived, informing me of the date we were to be evicted from our home, I was really upset, then I was overcome with relief. It was over. I was out of the loan and the house, which I'd come to hate. It felt like a huge weight had been lifted from my shoulders, and I was free. We'd be able to live like normal people.

The department has now given me a unit to rent. It's a very nice unit, but in no way compensates for what we have lost.

I borrowed $75 500. I had $25 000 deposit. Yet after paying more than $30 000 in repayments, my loan principal had ballooned to more than $90 000, when I stopped paying in January this year. I don't even know how much I owe the department at this stage. But I do know that the balance due after the sale of our home will be much more than I can ever pay back.

And all I have to show for all that money and more than five years hard work and sacrifice, is a rented unit, and a huge debt.

While I believe the loans were introduced with the best of intentions, they don't work, and a solution must be found.

I know the solution will be expensive, but the cost can't simply be measured in terms of dollars. The real cost is in families suffering and this must also be taken into account.

The Honourable Rob Knowles, the current Minister for Housing, pointed out the hardships and suffering of borrowers when he called for a parliamentary inquiry into the loans, whilst in opposition, in May 1992. Updating and modifying the new structure for the new loans schemes did nothing to help those trapped in existing loans.

There's been a lot of government talk about 'safety nets'.

But I must have fallen through — because we certainly hit rock bottom.

At the bottom it says 'Prepared by Sandra Law'. As I said, Mr Acting Speaker, that was a five-page document. I have selected parts of it to read into the record, but I do not believe I have taken the quotes out of context.

I have had a bit to say so far about the home opportunity loans scheme, but I have also touched on the priority property loans scheme, which has produced cases of great heartache and hardship. I guess that was because the scheme was targeted particularly at a few thousand women who were receiving property settlements as a result of the break-up of their marriages. So what you had was a single mother with children receiving a sum of money as part of a property settlement. A number of the recipients of the loans I have met then went onto supporting parents' pensions. The only assets they had were what they received by way of property settlements.

I will give the example of one lady who was affected by the scheme. I will respect her personal confidentiality, so although I can put some of her circumstances on record I will not name her. She is from Boronia and I met her in the company of the mortgage review task force last year. I will refer to my notes from last year on the priority property loan scheme. When I met her last year the lady was 41 years old. In 1987 she bought a house at a purchase price of $98 000. She put down a deposit of $22 000 and borrowed $76 000. She got some of that $22 000 from a property settlement following her marriage break-up and the rest of the money came as a gift from her parents.

Despite the fact that she never once missed a payment between 1987 and when she met with me last year, she owed $92 000 on the house. Having borrowed $76 000 and having met every repayment required of her, she owed $92 000. At the same time, because of the fall in real estate values, she estimated her house to be worth $80 000, having dropped from $98 000. Some of the housing groups I have had contact with in the eastern suburbs believe that is probably a reasonable estimate.

So she had a house worth $80 000 and she owed $92 000. She no longer had any equity in the house. She had originally contributed $22 000 towards the price of the house, but last year instead of having that level of equity in it she had, as it were, a minus equity and owed $12 000. She was a single parent receiving a sole parent's pension. At the time I saw her, her daughter was 10 years old. One of the reasons she went into the scheme was that as a single parent she had had to move eight times before her child had turned two. She was conscious of the lack of stability that gave her child. One of her most important motives for getting a property loan was to try to provide some stability for her daughter. She has not restructured her loan and will be one of the
people whose loans will balloon out until she owes perhaps millions of dollars.

She is taking the view that as a person on a sole parent's pension it does not matter. She could be declared bankrupt now for $12 000 or in a number of years for $1 million. If she had to walk out of her house today, she would owe $12 000 and as a single parent on a sole parent's pension she does not have the capacity to find that $12 000.

At the same time under the terms of the scheme her repayments are restricted to 25 per cent of her pension income. That is not much different from the situation she would be in if she were renting a house as a public tenant — and she could well be worse off if she were renting in the private sector. When I spoke to her last year she told me she was going to stay put. She said the most important thing for her over the next few years would be to give her daughter some stability — living in the same house, going to the one school, and having the one circle of friends. She said she wanted to stay put until her daughter had completed her schooling.

The government's problem is that because she has never missed a repayment it cannot force her out. The ramification for the mother is that if her daughter completes her schooling the loan forecast will come true and she will end up owing $1 million or more. That brings me back to my basic point, which is that the restructure announced last year has not worked. It clearly has not worked for that lady, and it has not reduced the ongoing liabilities of the government. It is not in the government's interest to have people accumulating large amounts of principal over the years until they end up owing millions of dollars. If that happens, the $90 million set aside by the government to meet its future liabilities will look quite sick.

I quote from a student's loan forecast for 1994-2045, dated 16 November 1994. As at 1 March 1994, based on a regular payment of $122, real interest on the loan of 7.6 per cent and a CPI rate of 1.5 per cent, the outstanding principal was $72 395. As at 1 January 2000, based on a regular payment of $142, real interest on the loan of 7.5 per cent and a CPI rate of 4 per cent, the interest charged on the loan would be $11 859 and the principal owing would be $104 692. On 1 January 2028, based on a regular payment of $426, a real interest of 7.5 per cent and a CPI rate of 4 per cent, the interest charged on the loan would be $188 369. The amount owing on the loan, the closing balance, would be $1 693 341.

The very last year of the loan forecast is 2045. I am not sure how many of us will be around then but we would hope to have paid off our homes and bequeathed them to our children — or perhaps to our grandchildren by that stage. On 1 January 2045, based on a real interest rate of 7.5 per cent and a CPI of 4 per cent, the outstanding balance of the borrower would be $11 820 233. In the years to come this borrower will owe $11 million — and the loan has not been restructured!

The government has to do something, not only to assist borrowers like that but to protect itself from future liabilities. Even if it costs the government some money up front to reduce the rate of interest to ensure that borrowers' ongoing payments reduce the principal amounts, that action would be in the best interest of both borrowers and the government. It is in nobody's interest to allow a person who already owes $1 million on a home to end up owing $11 million.

There have also been enormous problems with the shared home ownership scheme (SHOS). The scheme has not accepted anyone who has not had a government home loan, but people in the home opportunity loans scheme have been travelling so badly that some of them have been converted to SHOS. I suspect that for some of them it has been a case of out of the frying pan, into the fire. The scheme is based on an individual borrower having an equity share in his or her home of between 20 per cent and 80 per cent, the remaining equity being held by the department. If a borrower had as little as 20 per cent equity, the department would have 80 per cent; and if the borrower had 80 per cent equity, the department would have 20 per cent.

The borrower would take out a loan based on the equity he or she had in the home and make repayments on that. The borrower would then pay rent on the remaining proportion of the department's house. One of the problems with that has been that although a borrower might have as little as 20 per cent equity in the house, he or she has been 100 per cent liable for the running costs, such as maintenance and council rates. Some people have got themselves into disastrous situations.

One lady's house was flooded and as a result several thousand dollars of damage was done to the carpets. From memory I think she had a 21 per cent equity in her home, but she was responsible for all the $2000 or $3000 that was needed to replace the carpets. The department had no responsibility or liability. Likewise, she had to pay the council and
water rates in full, whereas if she had been a tenant the landlord would have paid.

The government’s restructure document that was issued to SHOS borrowers had this to say about the rental component:

The restructured SHOS arrangement includes changes in the calculation of the rent paid on the director’s investment (share). The director currently provides a subsidised rental rate below the market rent rate generally charged for private rental housing. The method of calculating your rent will be changed so that an average market rent will be charged, but you will be given a rent subsidy and an allowance for the fact that you pay all the costs associated with being a property owner.

Although that might sound nice, it is really sleight of hand — giving with one hand and taking with the other. Maybe one will pay less rent but the repayments will be a little more.

It may be appropriate to build in an allowance for the cost of the house when there are no problems, but what will happen to an individual borrower if the house is flooded and the householder is up for new carpets? Or what happens if the roof falls in? The small amount of subsidy borrowers receive along the way will not meet those costs.

The minister has failed to sort out the problems, despite claims in January last year when he announced that he was restructuring the whole scheme and that he would go on to remedy the problems with SHOS.

Mr S. J. Plowman interjected.

Mr LEIGHTON — Yes, SHOS is one. We were clearly told by the department at a briefing that the transfer of the capital liabilities to the Treasury Corporation of Victoria would include SHOS and that the provisions of the bill would include various loans such as loans through SHOS in the capital liabilities being transferred across to the Treasury Corporation of Victoria.

I notice the honourable member for Box Hill shaking his head because he cannot help the minister out. It is because it comes under the heading of HOLS. It is a pity the minister does not have an adviser in the box. The honourable member for Box Hill should stick to his day job. My understanding is that the liabilities transferred include SHOS. I put it to the minister that my reasoned amendment uses a more general expression, ‘government home finance schemes’, in calling for relief and assistance.

It has been suggested that the Minister for Housing is about to announce a revamped share equity scheme for home owners. Not only has he failed to restructure SHOS and convert home owners’ loans into SHOS, but having failed to fix the basic problems he will now offer more and he will offer them to public housing tenants. People who are paying full public housing rent will be given the opportunity to take out some form of SHOS loan or some form of shared equity loan in the departmental houses as an alternative to renting.

So far I have held my fire on the earlier announcement of the program for the sale of public housing. Some tenants are being offered the opportunity to buy the public housing they rent. Because the department said it would probably involve only a few hundred houses, instead of taking the hard and fast ideological position and saying it should not be on, I thought it might be worthwhile to examine how it was going before we decided our policy. I point out to the Minister for Housing that there is no guarantee I will hold my fire if he starts selling off public housing by making it available through some shared equity scheme. People who have SHOS loans have had bad experiences. SHOS was pitched towards some of the lowest income earners. Even under the government’s home opportunity loan scheme, if they could not afford to commit themselves to the value of the house they could borrow to receive partial equity under SHOS. Because they were such low income earners many of them got into difficulties.

A lesson should have been learnt from that, but the Minister for Housing in his haste to sell off public housing will not worry about whether more low income earners get into trouble because of his sending them into some revamped scheme. The Liberal Party policy released at the last state election clearly says that the coalition would introduce such a scheme. The Minister for Housing has said privately to at least one journalist with whom I have spoken, and I am hearing it from elsewhere, that he will offer a revamped shared equity scheme for public housing tenants in about September this year.

Even if the minister criticises me for it and wants to argue that I will undermine confidence in the scheme, there is no guarantee that I will hold my fire. I am putting on record the fact that I am highly dubious about whether he can make such a scheme.
work. I am particularly unhappy that he will be doing it by flogging off public housing.

I shall quote from a document the mortgage review task force submitted to the Auditor-General in April 1994. One of the key points it makes about why the restructure did not work is:

The main problem with the loans, however, is still the capitalising interest rate and the escalation factor on these low start loans, even the department’s restructure has not changed that. It seems that those who have survived until the restructure are now locked in with the threat of large repayment penalties should they attempt to ‘bail out’, and the inevitable outcome for many of these borrowers is only postponed.

As I said earlier, as well as the plight of many borrowers caused by not having fixed loans, the loan forecasts show that if some borrowers go on as they are without restructuring the government will end up with liabilities of millions of dollars. It is not surprising that the government has been quick to evict those in trouble.

As I said earlier, the restructure was aimed principally at borrowers who were in good financial shape to stop them exiting the scheme. Rather than the government trying to provide real assistance to people who were in bad shape to give them some hope of making payments that would over a period reduce the principal they owed; the approach of the government has been to evict borrowers in trouble as quickly as possible.

The opposition does not have all the available figures because a number of evictions have been undertaken by private retailers. However, information was provided to me by the mortgage review task force in a letter dated 25 November 1994, which states in part:

There have been many borrowers evicted, for example, in addition to the 434 warrants for possession currently before the Supreme Court. We have copies of Supreme Court lists dating back to part of 1990 through part of 1993 which numbers 269 warrants for possession. This is only in instances where HOLS Ltd is the plaintiff. All other warrants for possession would be under the names of 15 or so other government-instituted loan retailers, and as such would not be readily identifiable.

The other point the task force makes is:

In addition, many more borrowers who have been financially ruined under these schemes have simply ‘handed in their keys’ — this is the department’s preferred option for failed borrowers. We believe that the department lists these as ‘prepaid loans’, and as such can be presented as a success story.

The task force is saying that in addition to hundreds of people being evicted from their homes there are others who are just walking away and handing in their keys, and the department never admits to the full situation.

There have also been troubles with home loan schemes in other states. Although the previous Labor government in New South Wales started up some of the schemes in a small way, most problems occurred under the former Liberal government, which stimulated the building industry to the tune of $1 billion a year and thereby used home construction to stimulate economic activity.

That government was culpable in that it persisted with the scheme even after it was clear it was turning bad. When the shadow Minister for Housing in New South Wales at the time, Deirdre Grusovin, started criticising the scheme, the government insisted everything was fine and abused her for undermining confidence in the scheme. Some of the industry associations applied enormous pressure to have her pulled into line.

Mr S. J. Plowman interjected.

Mr LEIGHTON — In the 1980s and 1990s.

Mr S. J. Plowman interjected.

Mr LEIGHTON — No, in New South Wales.

The point is that various government home loan schemes run in a number of states by governments of both major parties have run into trouble. Despite the schemes in all cases being well intentioned, some of the underlying assumptions turned out not to be correct, particularly in light of changing economic circumstances.

I have been fairly candid given that a number of those schemes were started when Labor was in government. However, the current government should not take too much advantage of my candid approach because when those schemes were being offered during the 1980s and early 1990s, the then opposition thought the schemes were fairly wonderful.

Mr S. J. Plowman — In New South Wales?
Mr LEIGHTON — No, here. I am glad the Minister for Energy and Minerals is at the table for this debate. He shook his head when I said that when in opposition the coalition of which he is a member thought these schemes were pretty wonderful. He obviously cannot remember his own press releases. So that no advantage is taken of my candid approach today, I will put the minister’s press releases on the record. The first press release I have carries the note:

Embargo ... Embargo ... 11 a.m.

Monday, April 16th, 1990.

The letterhead includes the words 'News Release', 'Liberal Victoria' and 'The Parliamentary Liberal Party'. I will be happy to make it available to the honourable member for Box Hill after I have read it.

Under the heading ‘Home buyers assistance schemes ground to a halt — Libs’, it states:

Thousands of Victorian first home buyers will have to put off their ownership plan because two major housing ministry assistance schemes have stalled, the state opposition said today.

Opposition housing spokesman, Jim Plowman, said that the two major government initiatives for home finance assistance had ground to a halt due to the failure of sales of Victorian housing bonds in the current economic climate.

Mr Plowman said the assistance measures, the home opportunity loans scheme (HOLS) and the shared home ownership scheme (SHOS) are both dependent on the sale of housing bonds to provide funds for home finance applicants.

‘With the current high interest rates offering generous rewards for investors, housing bonds, which provide a relatively low yield, are selling badly’, Mr Plowman said.

I am not sure whether he was arguing the government should have locked itself into higher rates of interest or what point he was making there. He goes to say:

‘The result of these economic circumstances is that home ownership assistance schemes have stalled and first home buyers are missing out on much-needed financial help’.

Mr Plowman said budget documents reveal that 5000 applicants were to be assisted under the two schemes during 1989-90.

‘However, the failure of housing bonds sales has put these applications on hold’.

Mr Plowman said he had been told by the minister that the matter of home ownership grants is ‘under review’ and that despite applicants being at the head of the ministry waiting lists, no interviews seeking assistance are to proceed.

He said the government had an obligation to fulfil its commitment to provide financial assistance for low-income families to buy homes.

‘The fact that the government has so grossly mismanaged the state’s finances is no excuse to break a promise to thousands of disadvantaged people in need of housing,’ Mr Plowman said.

He called on the housing minister, Barry Pullen, to address the matter urgently and provide some certainty for those Victorian families whose home buying plans have been thrown to the wind.

I have another press release to read before providing them to the minister.

Mr S. J. Plowman interjected.

Mr LEIGHTON — As I understand it the minister is complaining that I have misrepresented his position when all I have done is read, word for word, his press release. I have not left a single word out of it. After I read the second press release I will be delighted to hand both across to the minister.

Mr S. J. Plowman — Misunderstand me, not misrepresent me!

Mr LEIGHTON — My understanding is that the basic complaint the minister is making in his press release is that we would not be offering enough of these loans. What I am trying to say is that he should not take advantage of my candidness in this debate, because back then he thought the schemes were pretty wonderful, given that he was putting out press releases claiming that we were not offering enough of them.

I will refer to another press release put out by the minister, because this one is even more telling. It is dated Monday, 31 July 1989, and headed
TREASURY CORPORATION OF VICTORIA (HOUSING FINANCE) BILL

Thursday, 1 June 1995

‘Government introduces Liberal policy’. I will read the text word for word:

Opposition housing and construction spokesman, Jim Plowman, today said it was pleasing to see Mr Pullen implementing part of the Liberal housing policy announced prior to the 1988 election.

Then follows a direct quote:

‘With minor variations, the government has adopted the shared equity program proposed following a visit to the UK by Don Hayward, former shadow Minister for Housing,’ Mr Plowman said.

Then another direct quote:

‘Though we applaud this latter day enlightened thinking, Victorians are still waiting for positive announcements to assist home owners currently paying record levels of interest,’ he said.

As I understand it, in that second press release the minister is complaining that we pinched his idea. He is saying that the shared ownership idea was his idea. Of course, hindsight is a wonderful thing, but during the 1980s there was a lot of support for those government home loan schemes by both political parties and from state to state, and no-one envisaged the problems that would occur with the schemes.

But this government is failing because the government’s restructure has not worked. It has not sorted out the operating deficit of the scheme, which is growing from $13 million over the past few financial years to an expected $21 million this financial year. The government has been forced to set aside some $90 million to meet its future liabilities. Those are the Auditor-General’s figures, not my figures. According to the Auditor-General the situation has worsened.

Earlier in the debate I questioned whether the government had fully revealed to the Auditor-General its liability if, for instance, legal action were to be successful. Was it fully frank with the Auditor-General about borrowers whose restructured loan forecasts show that they will owe millions of dollars a year? The restructure has not sorted out the government’s financial obligations, nor has it sorted out the plight of hundreds of borrowers. The restructure was never targeted at those who were in trouble, and hundreds of borrowers have been evicted. Some loans have not been restructured and the borrowers will owe millions of dollars. Because of the capitalising of interest there is still some doubt about whether the restructuring will really get borrowers out of trouble or whether it will only put off the day of reckoning for a few years.

It would be in the interests of both borrowers and the government if the government were to provide assistance up front to those borrowers, who will then make a worthwhile investment, rather than having them go down the gurgler a number of years later owing millions of dollars. Although the government has been publicly trumpeting the restructure, it has not fixed the problems of the scheme and will have to take further action.

On that note, we will obviously be dividing on my reasoned amendment. If the government does not agree to it, we will not oppose the second reading of the bill itself because, as I said earlier on this bill and on other matters, it is sensible to centralise debt under the Treasury Corporation of Victoria.

Mr CLARK (Box Hill) — The remarks of the honourable member for Preston have varied in tone between looking from the high moral ground on what can fairly be acknowledged as a difficult if not tragic situation and descending to a number of jabs at the present government.

Concerning the latter, the structure of his argument seems to be as follows: that the previous government set up a scheme, the scheme led to unsatisfactory if not tragic outcomes for a number of clients and the present government is therefore in some respects culpable. What the honourable member did not make clear is in exactly what respect he thought the present government was culpable. He advanced two possible lines of argument in that regard but they seemed to be mutually contradictory. In the earlier part of his remarks he suggested that the present government had not done enough to stabilise the problems arising out of the home opportunity loan scheme, but in the latter part of his remarks he suggested that the government was being too hard on a number of individuals who had taken out loans under the scheme. Those two lines of argument are not inextricably, as a matter of logic, mutually opposed to each other, but as a matter of practicality they are pretty close to being so.

Is the honourable member saying that the present government has not done enough to stabilise the scheme because it should have gone in harder on people who were not able to pay, and therefore reduce the level of outstanding payments that were
running behind, or foreclose more quickly to recoup a higher amount of the funds that had been advanced? On the other hand, was he saying that the present government has pursued arrangements too hard and should have been more lenient, even at the expense of having the costs of the scheme run out? He tried to run both lines of argument in different parts of his address.

What the present government has been trying to do is strike a balance and work its way carefully, thoughtfully and considerately through a very difficult set of circumstances that it inherited from its predecessors.

The government has put measures in place to stabilise the scheme. Those measures are set out in some detail in the Auditor-General’s Report on Ministerial Portfolios of May 1995, in particular on page 174 at paragraph 3.8.9, which specifies that:

The restructure of the scheme involved:

- providing existing borrowers with the option of new loan products...
- offering further financial support to borrowers continuing to suffer from a loss or reduction in income through unemployment and illness;
- reviewing the existing arrangements for sharing of home ownership costs such as property maintenance and insurance; and
- developing strategies to better manage the assets and the cost of the scheme’s liabilities.

That is a fairly comprehensive package and has been put together by the present minister with a great degree of care and concern to protect people as much as possible.

The government and the minister recognise that the steps taken to stabilise the scheme in those regards still leave people in need of further assistance. The government is discussing with clients in difficult circumstances a further range of measures which will provide them with additional assistance, including buying the properties concerned from clients and converting them to public housing, allowing them to relocate into public housing or moving to a shared equity scheme.

The government has been working very carefully to try to get the best possible outcome with a difficult range of circumstances which it inherited.

The honourable member for Preston suggested that the Auditor-General’s report was in some way critical of the government or indicated that the government’s steps were inadequate in some respects, which he did not particularly specify, except in one regard. He suggested that the fact that the Auditor-General’s report referred to a continuing increase in the net contribution or the level of bad debts was an indication that what the government had done was inadequate.

However, the increase in the figures is simply an outworking of the difficulties and problems of the scheme at the time the present government inherited it. The measures taken by the minister have been to stabilise the situation. That is expressly recognised by the Auditor-General not only in the key findings summary on page 171 but also in paragraph 3.8.15 on page 175 of his report, where he says:

Furthermore, the total level of loan arrears had decreased from $1.3 million (1400 loans) at 31 December 1993 to $1.2 million (1240 loans) at 31 December 1994, even though the provision for doubtful debts had remained stable at $11.2 million. These outcomes indicate a stabilisation of the financial base of the scheme.

Any fair reading of the Auditor-General’s report on the issue would show that the government has been working to resolve the problems.

The comment provided by the Secretary to the Department of Planning and Development is:

The article provides a factual presentation of the work undertaken in restructuring HOLS and the outcomes to date with regard to operating losses, arrears and prepayments.

Certainly the secretary to the department did not take anything that the Auditor-General said as a criticism or adverse reflection on what the department and the government had been doing.

The honourable member then went on from commenting on what was in the Auditor-General’s report to trying to drag out a few almost sinister inferences from the report based on what was not in there. He said that the potential for legal action was looming and asked whether we can say that on the face of the Auditor-General’s report there is not the slightest skerrick of evidence to suggest anything of the sort. The Auditor-General
is certainly not backward in placing on record any concerns that he may have in respect of unrecognised liabilities; so I think the inference that can properly be drawn is that in this case he is not concerned about unrecouped contingent liabilities from legal actions.

The second point made by the honourable member related to the exponential growth of future liabilities you can get in schemes like HOLS. He gave a number of examples of where liabilities years down the track would run into tens of millions of dollars. I am not in a position to verify the arithmetic of the economist referred to by the honourable member, although one of the figures seemed somewhat high; in general terms I accept the principle of the case he is making, that if you have compound interest and you are repaying less than the interest involved, the principal tends to grow quite rapidly.

However, that does not indicate that a massive liability is overhanging the state at present, because if you are quantifying the liability in relation to these loans you must look at the level of the liability in present value terms. You do that by discounting back the future stream of payments that need to be made, or the future capitalised value, at interest rates of the day.

If interest rates have fallen, the liability of the client becomes greater than the nominal capital outstanding on the loan, but in present value terms there is not the sort of exponential increase referred to by the honourable member. I think his argument is misconceived in logic and there is nothing in the Auditor-General's report to suggest that the Auditor-General has accepted the faulty line of reasoning used by the honourable member.

The honourable member also referred to the shared home ownership scheme and commented on the fact that I was shaking my head in bemusement at the suggestion he raised that the scheme might be covered by the bill. I can confirm that the advice I have received is that the bill does not relate to the shared home ownership scheme.

Mr Leighton — That is different from what was told to us in the briefing.

Mr CLARK — Notwithstanding the honourable member's remarks, I repeat that I am advised that it is not included in the bill.

The honourable member touched in part on what are known as priority deep subsidy scheme loans. It was not clear whether the various examples he referred to were from that scheme or from the general scheme.

However, it is worth putting on record that the priority deep subsidy scheme was directed to a specific group of clients in very grave and generally short-term need. One typical example was single parents who became single due to a marital break-up and were having trouble surviving on a single basis.

The scheme has involved larger than standard loan amounts, lower than normal scheduled instalments for a number of years and an interest subsidy of up to three years at 4.5 cent, which I am told has a value of up to around $9000.

These arrangements were designed specifically to get clients out of difficult situations. It was never contemplated that they be a permanent solution. If one tried to make them into a permanent solution one could produce some pretty striking figures.

The government has been working through these cases as well as others with quite a degree of success. I understand that of a total of 1613 clients that were on the books a few weeks ago, 34 per cent of loans have been restructured, 25 per cent have been discharged, 7 per cent have moved to the shared home ownership scheme, 8 per cent have decided not to restructure — of those some may have increased their level of repayments where their circumstances have permitted and some may have sold on the private market — 3 per cent have moved into public rental and about 23 per cent of cases have yet to be resolved. Overall in this case, as in more general cases, the government has been working to achieve solutions that satisfy both the client and the taxpayer.

For those reasons I suggest that the remarks made by the honourable member that were critical of the government's handling of this matter may have been misdirected. As I said previously, the government has tried hard to strike a balance and work through this difficult circumstance in a careful, prudent and considerate manner. It seems to be achieving considerable success in that regard.
Planning and Development. It is yet another step in resolving the HOL scheme to bring it to an end in a prudent and careful manner.

Mr MICALLEF (Springvale) — I shall make a few comments about the bill. I support the transfer of the capital market liabilities of the home opportunity loans scheme to the Treasury Corporation of Victoria. This is not an issue. The problem is that the bill does not go far enough to resolve the difficulties of many of those who have taken out loans under the HOL scheme, and that is where we have problems. The reasoned amendment moved by the shadow minister, the honourable member for Preston, provides an opportunity to deal with those issues.

I do not believe it is useful to get into a slanging match about whose fault it is. The reality is that we have a problem and it must be fixed. The government has a responsibility to fix it even though it may not have had the initial responsibility. At the time the scheme was introduced it had broad support within the community. It was seen as a good scheme that would allow people to get into their own houses, eventually to own them, to have security of tenure and to be able to work toward building up an asset that they were paying off.

This occurred at a time of extremely high interest rates, when they were up around 14 per cent to 18 per cent. It was impossible for people on low incomes to sustain that type of interest payment. Although the scheme was well received and it was appropriate at the time I do not believe any of us realised that interest rates and inability to pay would blow out. Many people were caught in the web and have been unable to service their repayments after the plateau period of the interest rate ceiling was finalised.

People who took out home loans of $50 000 or $60 000 on houses worth $70 000 or $80 000 now owe around $90 000. If those situations are not resolved it will be a disaster for many people who took part in the scheme. I have dealt with many of them who have come into my office. They are people who genuinely have not missed a payment and who are committed to paying off their home loan, but they do not have the income to service such a debt. Perhaps there should have been a more selective processing of the applicants to preclude those who might have got into difficulties, but it is always easy to talk in hindsight.

We have a problem with a number of people who are unable to service their debt. There is an issue for those around the borderline of whether to stay or whether to opt out. I have looked at many of these cases and without telling them to get out I suggested they go along to a financial counsellor to get advice about whether it was financially viable or sensible to stay in the arrangement. Many honourable members have had the difficulty of suggesting that perhaps the proper course for these people would be to get out of the situation, although they would be leaving behind houses that they had worked towards owning to go into the private rental market or be put on a list for housing department accommodation.

This is another disastrous area because under this government waiting lists have blown out enormously, which in the south-eastern suburbs of Melbourne has meant it is necessary to wait up to six years plus for housing department homes. We have a social responsibility to provide food, shelter and housing for all those within our society. It is becoming more and more difficult for some people to achieve that end.

The bill does not go far enough to resolve those situations. It is one thing to consolidate liabilities so that we know how much is owed. That is a good approach, but the government needs to come up with a plan to resolve the difficulties that our constituents have. Perhaps if the government maintained its quota of buying housing department stock, that may be a basis for buying the houses so that some of these people could rent them back if they are on social security payments. That would be achievable in many cases. They would be better off paying 25 per cent of their income in rent and not having to pay rates and charges, especially the callous impost of $100 home tax on people who are already finding it difficult to service their loans.

There is not much sense in mud-slinging on both sides. We do have a problem that needs to be fixed by the government. It was elected to govern. I suggest that the minister put his mind to work with the Treasurer and come up with some proposal that deals with the issue to get some of these people out of this difficult situation with a bit of dignity.

Mr HYAMS (Dromana) — It is well known that this bill is designed to transfer the remaining assets and liabilities of the home opportunity loans scheme to the Secretary to the Department of Planning and Development, and it is intended to transfer the capital market liabilities of HOLS to the Treasury Corporation of Victoria.
I focus my brief address on the latter of those two purposes, the transfer of the capital liabilities to the Treasury Corporation of Victoria (TCV), which continues the sensible program of Victoria's financial reform. This is yet another step, albeit small, towards more professional and efficient management of Victoria's finances.

The Kennett government established the Treasury Corporation of Victoria in 1993. It was not the first state government to do that, sadly. Indeed, it was the last state government to centralise state debt liability management. That is a great shame because this state had consequently fallen years behind the other states and suffered both in profile and in standing around the world and in domestic markets. It had also suffered in actual financial terms through inefficient and ineffective management of its liabilities, which at that time, the 1980s, were growing at a gallop.

Prior to the establishment of the TCV, state guaranteed debt was issued by the SECV, Melbourne Water, and the Gas and Fuel Corporation, as well as by Vicfin, which funded the public sector. Sadly, these issues were generally inefficient in that all the issuers had disparate objectives. Their lines of stock were usually not big enough to provide the sort of liquidity required by the market, nor the economies of scale. As a general rule they operated independently and without cooperation. They were counterproductive in their issues of debt and in liability management and uncoordinated as between each other in the timing and issuing of their debt. Generally speaking it was a hotchpotch; it was highly inefficient because those bodies operated independently and autonomously and not in a coordinated or cohesive way.

The establishment of the TCV certainly stopped all that. The benefits of that centralisation of debt management have been shown in a number of different ways. In the year to June 1994 the TCV had a profit of around $34 million dollars. It has outperformed its liability management benchmark by $116 million. That is a strong performance by any standards, and it is recognised in the markets, where the profile of Victoria and its credit standing is so important, especially given the substantial level of debt we have.

The importance of this bill is that it is one of the last instances of the transfer of Victoria’s liabilities to the TCV. I do not want that occasion to go past without some sort of acknowledgment and recognition of the role the TCV has played in the harnessing and expert managing of Victoria’s outstanding liabilities. In the past two and a half years the debt profile has lengthened. In 1991 around 35 per cent of Victoria’s stock was scheduled to mature in two years. By the end of 1994 that had been reduced to around 20 per cent. The ultimate aim is to reduce that level to around 15 per cent. TCV’s success in this regard already contrasts with the experience of other states, where on average around 30 per cent of total debt is scheduled to mature this financial year.

The extension of our maturity profile is a most important achievement by itself. But we see a number of other signs to measure the success of the TCV to date, not the least of which is the overall pricing of its debt. In October 1992, after the credit rating downgrades, our debt was being priced at around 1.4 per cent, about 140 basis points above the commonwealth 10-year bond rate. Today that pricing is somewhere in the region of a whole 100 basis points, 1 per cent better than that. So today TCV’s prices are somewhere between 40 to 60 basis points above the commonwealth benchmark. That represents a tremendous saving in interest costs and a certain recognition by the markets of the admirable performance of the TCV.

Mr Leighton — Why has the deficit blown out, then?

Mr HYAMS — The honourable member for Preston’s interjection highlights how Labor fails to understand at both state and federal level exactly why the deficit does blow out. It has nothing to do with the liability management of the Treasury Corporation, it has to do with the government current account deficits and overall budget deficits, too much spending and too little revenue — something Labor clearly does not understand, as has been demonstrated many times. The honourable member for Preston in his address shirked talking about the centralisation of debt liability management except to indicate that he agrees with what the government is doing in that area. It is a pity he did not stop there, because he was right in the first place.

One of the main reasons for the success of the Treasury Corporation of Victoria is that early on the government appointed a first-class board of directors, senior people appointed from the private sector who have broad experience in financial management. It is chaired by Ian Ferres, somebody well respected in financial markets and a man of considerable experience and strong credentials. In addition, the TCV appointed a strong management team, headed by Wayne Jarman, who has long
experience and a strong background in the financial markets and excellent credentials for that position.

The TCV has to operate in a fully private sector-oriented way. It has to compete against all private sector as well as government bodies, so it has to be easily as efficient as, if not more efficient than, its private sector competitors. There is compelling evidence that the TCV has met that challenge at every step of the way.

I referred earlier to the performance of the corporation in meeting its benchmark, extending its debt maturity profile and improving its interest rate levels to a point where the savings across the board to Victoria and the reduction of risk in the management of such a high debt portfolio has been vastly improved. Another major factor in the success of the Treasury Corporation of Victoria and the management of Victoria’s liabilities undoubtedly has been the performance of the Treasurer. He has taken personal responsibility for the establishment and surveillance of the TCV, the board of directors of which is directly accountable to him.

The Treasurer has shown a profound understanding of the workings of the international and domestic markets. Every year, right from the very beginning, he and the Premier embarked on road shows to the main international marketplaces. Although those markets were rightly sceptical after receiving the first visit and plans of our financial managers, they have now learnt to recognise that this government does what it says it will do. The Treasury Corporation of Victoria has performed professionally and government policies have produced the promised results to the point where the international rating agencies have improved Victoria’s credit rating. In Moody’s case, for a second time just recently, Victoria’s standing in the international and domestic financial and capital markets continues to rise. That is due to the policies and activities of the Premier and the Treasurer and to the professional performance of TCV.

There is obvious wisdom in restructuring the financing of the home opportunity loans scheme. It makes complete sense, especially as the Director of Housing was limited in his ability to manage the liabilities. When I say ‘limited in his ability’ I mean limited by the structure of the scheme and its legislative provisions. He was not able to operate freely in the markets or to take advantage of the centralised economies of scale available to bodies such as the TCV. This is a totally logical reform and an important further streamlining of the state’s management in the financial field.

I am delighted to be able to support the bill, and I commend the government on yet another significant reform in the financial and debt liability management area.

Mr S. J. PLOWMAN (Minister for Energy and Minerals) — I thank the members for Preston, Box Hill, Springvale and Dromana for their contributions. This is a fairly simple bill, the main purpose of which is to transfer the capital market liabilities and the home opportunity loans scheme to the Treasury Corporation of Victoria and the remaining assets and liabilities of the scheme to the Director of Housing.

The member for Preston spent a great deal of time explaining some of the cases that had come to his notice. The cases I know of have not involved as much money as those he referred to, but I know of some cases under this scheme that have led people into trouble. I think the member for Preston accepts the situation is very complex and that there are no easy answers. But the bill is unquestionably part of the government’s strategy of coming to grips with the consequences of the schemes it inherited from the former ALP government.

The member for Springvale said there was not much point in mud-slinging as to who was responsible, and I accept that. But it must be acknowledged that the Minister for Housing in the other place inherited an extraordinarily complex situation, given the hardships HOLs has imposed on some people. The minister has been working with the Treasurer to address the sensitive problems HOLs has caused. The member for Preston also referred to the shared home ownership scheme (SHOS), which, he advised me, is not covered by the legislation. If he says that is so, I accept it; we will not argue about it. SHOS is yet another scheme that has caused trouble for its participants.

The member for Preston also quoted a couple of press statements of mine. It is interesting how one’s printed words have a habit of resurfacing years later. I put it to the member for Preston that I made other press statements he has not quoted from. When I was shadow Minister for Housing I pointed out to the then housing minister, the Honourable Barry Pullen in the other place — whether in speeches, letters or press statements — the very grave risks facing the participants, who were being
drawn into these schemes without understanding what they were letting themselves in for.

The member for Preston claimed that in a press statement headed 'Home buyers assistance schemes ground to a halt — Libs', which I put out during my time as shadow minister, I said what a terrific scheme it was. I put it to him that my interpretation of the scheme amounted to a statement of the obvious at the time. I was certainly not praising the scheme; rather, I was drawing the attention of the then minister to the real problems that his government needed to address and pointing out that the scheme needed fixing. That is the role of an opposition, the same role the member for Springvale referred to when he said there was no point getting into a mud-slinging match about who is responsible.

It is fair enough to acknowledge that the previous government was responsible, but the scheme should be fixed. I do not think anyone denies that. The Minister for Housing in another place is pursuing the matter positively and sensitively. As the member for Springvale pointed out, the government has a responsibility to fix the problem. I am also sure he would acknowledge that fixing the scheme is an extremely complex task. In the same way that in my first press statement I pointed out to the then minister that there was a problem that needed fixing, I now acknowledge that we have to try to fix a problem we inherited from the former government.

The member for Preston did not read the accompanying statement to the second press release. I could say to the member for Preston and the house that at that time I got it wrong when I said 'Government introduces Liberal policy'. The scheme I thought the government was introducing was very different from the scheme that appeared in the long run. If the Labor government had taken up the ideas of the former shadow minister, Don Hayward, the outcome would have been very different. It is a pity it did not. If it had, public housing tenants and those people all around the state who were seeking housing assistance would have benefited. I do not intend to read the whole of the policy page the honourable member has given me, but it is very different from the scheme I believed Labor was introducing. I clearly got it wrong. If the Labor government had introduced the scheme I believed it was introducing, it would have saved the Victorian housing market a great many problems and a great deal of anguish.

I am pleased the opposition supports the bill because, as the member for Dromana pointed out, it is an effective and sensible move — which I think the member for Preston accepts. In relation to the reasoned amendment, it would be a pity if the bill were put on hold until the issues referred to in the reasoned amendment were considered. I accept that the reasoned amendment should be considered, but I cannot accept that the bill should be withdrawn and redrafted.

The Minister for Housing in another place is a compassionate man who is sympathetic and sensitive to the needs of the people under his ministerial responsibility. I believe he will give careful attention to the reasoned amendment. I will ensure that the matters raised by the honourable member for Preston and his opposition colleagues are considered. I am sure the Minister for Housing wants the best outcome from the scheme, which has been something of a disaster.

The government will not accept the reasoned amendment, although I am prepared to talk to the Minister for Housing about it while the bill is between here and another place. The minister may consider amendments to the bill after examining the amendment. Knowing how concerned he is about the people under his responsibility, I believe he will consider all the issues compassionately.

House divided on omission (members in favour vote no):

Ayes, 57

Ashley, Mr (Teller) McAlellan, Mr
Bidston, Mr Maclellan, Mr
Brown, Mr McNamara, Mr
Clark, Mr Maughan, Mr
Coleman, Mr Naphine, Dr
Cooper, Mr Paterson, Mr
Davis, Mr Perring, Mr
Dean, Dr Perton, Mr
Doyle, Mr Pescott, Mr
Elder, Mr Peulich, Mrs
Elliott, Mrs Phillips, Mr
Finn, Mr Plowman, Mr A.F
Gude, Mr Plowman, Mr S.J.
Hayward, Mr Reynolds, Mr
Heffeman, Mr Richardson, Mr
Henderson, Mrs Rowe, Mr
Honeywood, Mr Ryan, Mr
Hyams, Mr Smith, Mr E.R.
Jasper, Mr Spry, Mr
Jenkins, Mr Steggall, Mr
John, Mr Tanner, Mr
Kennett, Mr Tehan, Mrs
Kilgour, Mr Thompson, Mr
Leigh, Mr  
Lupton, Mr  
McArthur, Mr  
McGill, Mrs (Teller)  
McGrath, Mr W.D.  
McGrath, Mr J.F.  
Traynor, Mr  
Treasure, Mr  
Tumer, Mr  
Weideman, Mr  
Wells, Mr  

Amendment negatived.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

SCRUTINY OF ACTS AND REGULATIONS COMMITTEE

Alert Digest No. 8

Mr PERTON (Doncaster) presented Alert Digest No. 8 on Australian Grand Prix (Amendment) Bill, together with appendices.

Laid on table.

Ordered that report, appendices and bibliography be printed.

CRIME PREVENTION COMMITTEE

Sexual offences against children and adults

Mr KILGOUR (Shepparton) presented report of Crime Prevention Committee on inquiry into 1992-93 Victoria police annual report and in particular sexual offences against children and adults entitled Combating Child Sexual Assault — An Integrated Model, together with appendices, bibliography and minutes of evidence.

Laid on table.

Ordered to be printed.

MEDICAL PRACTICE AND NURSES ACTS (AMENDMENT) BILL

Second reading

Debate resumed from 2 May; motion of Mrs TEHAN (Minister for Health).

Mr THWAITES (Albert Park) — The opposition does not oppose the bill, the essential purpose of which is to close a possible loophole in the current Medical Practice Act through which doctors may be able to escape answering charges before the Medical Practitioners Board.

Since the Medical Practice Act came into effect on 1 July last year the Medical Practitioners Board has considered a case which raised the possible loophole, which may also affect some 30 other cases. The loophole has arisen because it is not clear whether the Medical Practice Act applies to conduct that occurred before it came into operation — that is, prior to 1 July last year.

In one particular case a doctor who had been found by a coroner to have been principally, if not totally, responsible for the death of a stillborn child was brought before the board on a charge of unprofessional conduct. The doctor's barrister, Mr Bernard Bongiorno, QC, successfully argued the case. He has had a successful career at the bar since leaving his position as the Director of Public Prosecutions. I am sure he is happy that he no longer occupies that position.

Mr Bongiorno successfully argued that the allegations against the doctor could not be heard because the new standard applied only to conduct that had occurred since the act came into operation. The charges his client faced did not exist before 1 July last year. Accordingly, there was real doubt about whether the board could hear them. The board abandoned the hearing and sought its own legal advice, which I understand accorded with the thrust of the submissions Mr Bongiorno had made — that is, there was no authority to proceed against a medical practitioner for conduct that occurred prior to the commencement of the act.
The Medical Practice Act plays a key role in protecting the public in health care matters and in ensuring that doctors who are guilty of professional misconduct — I think the term used now is unprofessional conduct — are not able to carry on practising in ways that adversely affect the public. Accordingly, the bill amends the transitional provisions in the act by inserting proposed section 102A. It provides that the conduct of any medical practitioner that occurred before the commencement of the act is subject to the jurisdiction of the board.

An important aspect of the amendment is that the powers of the board and its areas of inquiry are limited to those that existed prior to the commencement of the act. In other words, although the act has some retrospective effect it does not retrospectively impose higher standards of care or any quasi-criminal sanctions that did not previously exist. For that reason the opposition is prepared to support the provision, notwithstanding that it contains a retrospective element. The benefits in protecting the public from doctors who act unprofessionally outweigh any argument about the undesirability of retrospectivity. The bill also contains a similar provision affecting nurses.

Clause 12 inserts a provision in the Nurses Act that enables the Nurses Board to discipline nurses who were involved in unprofessional conduct prior to the commencement of the act.

I ask the minister to clarify the effect the bill will have on the case that has already been before the board. When I raised the matter during my briefing on the bill it was unclear whether the board would be able to proceed. I do not want to interfere in any way with the proceedings of the board, but if it is the intention of Parliament that the board should proceed with the case, Parliament and the minister should make some sort of statement to that effect. If on the other hand the intention is that the matter not be proceeded with, that should also be made clear.

The bill also makes minor technical and housekeeping amendments, which are explained in the explanatory memorandum and which do not need further explanation.

Mr Ryan (Gippsland South) — I will make a brief contribution on the bill. I am in the happy position of being able to adopt much of what was said by the honourable member for Albert Park. The scope of the bill is relatively narrow, its primary function being to effect amendments to the Medical Practitioners Act 1994 and Nurses Act 1993 concerning disciplinary issues.

Those bills replaced the Medical Practitioners Act 1977 and the Nurses Act 1958. As an aside it is a fair judgment that the Nurses Act 1993 has better enabled nurses to provide their excellent professional services to the people of Victoria.

At the time the legislation was introduced there was concern that some aspects of it were against the interests of the nursing profession. A number of submissions were made to the government on behalf of the various interest groups associated with the nursing profession, who expressed particular alarm about the proposal to establish a government appointed board to, in effect, oversee the operation of the nursing profession. I am pleased to say that the concerns expressed simply have not eventuated. Rather, we have seen the continuance of excellence in nursing in our state in an environment where the governing body has been able to be part and parcel of the continuing delivery of service of a standard we have come to expect from this proud profession.

That point is brought home to me with some regularity by my sister, Genevieve Tobin, who is a qualified nurse and is forever at pains to point out what I already know — that nurses do a wonderful job looking after their patients. I suppose it comes abundantly dear, but my sister's point of view was expressed by me at the time of the original debate.

The principal issue covered by the amending legislation concerns matters canvassed by the shadow Minister for Health, including the all-important issue of disciplinary procedures. The issue was brought to a head when the Medical Practitioners Board of Victoria, acting pursuant to the Medical Practice Act 1994, convened on 5 December 1994 for the purpose of hearing a complaint brought before it pursuant to the terms of that act.

Mr Bernard Bongiorno of Her Majesty's Counsel — coincidentally, he would then have only recently concluded his important role as the Director of Public Prosecutions — appeared on behalf of the applicant in the matter. He put the following point: that the 1994 legislation created an offence relating to unprofessional conduct, and he cited the definition of unprofessional conduct that in that act. The act complained of in this instance occurred in 1992 and it was not until a notice was served on
4 November 1994 on the doctor who was the subject of the allegations that those matters came to light and came before the board.

In essence Mr Bongiorno argued that it was not possible to conduct an inquiry in that matter because at the time of the alleged offences, 1992, the offences of which the practitioner was the subject simply did not exist. Mr Bongiorno said that if you were to charge a practitioner with a breach of the standards relating to unprofessional conduct it would have to be brought under the preceding legislation. He went on to assert that the Medical Practice Act 1994 contained no appropriate transitional provision and that therefore the procedure before the Medical Practice Board on 5 December 1994 was fundamentally flawed.

The medical board considered that submission, and I have had the advantage of reading the transcript of proceedings to see the way Mr Bongiorno mounted his argument and the way Mr McGuire — who opposed the application and appeared on behalf of the board — mounted his response, and I have also had the advantage of reading the determination by the board. The position in practical terms came to this: the board decided that it could not proceed and the matter, in effect, was left in an unsatisfactory state of limbo. For its part the government received an opinion, as the shadow Attorney-General has said, and irrespective of what that opinion was, as a matter of sheer practicality we were faced with the situation that the parties to this unfortunate and tragic set of circumstances were having to operate in protracted court proceedings with the intent of bringing a definition to the new provision and accommodating the question raised by Mr Bongiorno.

Ultimately the government decided that the best thing to do would be to amend the Medical Practice Act 1994 to ensure that there was absolutely no doubt about the intention of Parliament. Importantly, what we needed to do was to make it possible for people who were subject to complaints in the period prior to 1 July 1994 — when the new disciplinary procedures under the 1994 legislation took effect — to be subject to complaint if that was appropriate, but only on the basis of their conduct being adjudged by the preceding legislation.

That is the effect of this amending bill, and it appears in clause 6, which inserts new section 102A into the Medical Practice Act 1994. The intention of the government is to see that the position contemplated by Mr Bongiorno's submission is overcome. It is the intention of the government to enable people wanting to obtain a full and proper hearing and an airing of a complaint to do so, and if the board now wishes to proceed it will be able to do so under the amending provision, clause 6. It is not retrospective in the true sense of that word. It would be so if the intention were to subject the medical practitioner — who in this instance is facing allegations about events said to have occurred on 22 and 23 October 1992 — to charges of offences created under the 1994 act; that would be retrospective legislation, but that is not the situation, for the reasons I have outlined.

I applaud the minister for bringing forward the amendment because it will solve a problem that I am sure is causing enormous concern and heartbreak to all parties who have been associated with the matter. The same form of amendment is being made to the Nurses Act to ensure that we do not encounter such difficulties in future.

A number of other amendments are contemplated by the legislation and I will touch briefly on them. The next of those relates to the term of appointment of members of the Nurses Board. The original 1993 act instated persons to that board for a period of three years. It was a case of all or nothing: three years or no time at all.

The amendment contained in the legislation before the house will provide for periods of service as a board member to be up to three years, which will introduce a degree of flexibility which was previously not there and will mean there will be no necessity for wholesale changes in the course of operation of the board. That will not only allow people to come and go from the board membership as they wish subject to the appointment provisions under the act; it will also ensure, very importantly, that an ongoing mix of experience and talent will be brought to the board and that we will not have to face on a specific day at a particular point in time all the board members going and a new board membership having to be established. It will provide some flexibility that was not there before.

There is also a provision relating to the registration of overseas nurses. Its intention is to accommodate those who come to Victoria to study, but whose qualifications would normally not be recognised by the Nurses Board. An additional type of restricted registration is contained within the bill as a practical response to an issue that has arisen in the course of the operation of the 1993 act.
There is an amending provision relating to the position of mothercraft nurses. The intention was to accommodate the position of mothercraft nurses to enable them to continue registration if they had been enrolled and involved in a course prior to 1994. The amending legislation seeks to accommodate the circumstance where a mothercraft nurse has been enrolled in but has not commenced a course. If that anomaly were not dealt with, it would be unfair to those who were otherwise going through registration procedures in the manner set down within the act.

At all times in the course of the debate on the bill which was enacted in 1993 the government recognised the excellence of the work undertaken by mothercraft nurses. I was a member of the committee that heard submissions from them: they impressed me with the professional manner in which they discharged their important duties. I am sure they will continue the significant role they play in providing their important services to the people of Victoria.

A further amendment relates to the Infertility (Medical Procedures) Act. It concerns the situation where an applicant seeking assistance pursuant to the act has a treating practitioner outside Victoria and the treatment comes within the 12-month limitation. At the moment the interstate doctor is not regarded as a registered practitioner. This amendment will overcome that deficiency. That has also presented as a problem for those who wish to take advantage of the IVF legislation in this state.

In essence they are the amendments contemplated by the legislation. They are practical amendments to legislation which, in the case of the doctors and the nurses, has operated very well since the time of its introduction to Victoria. Both those pieces of legislation were innovative and were introduced by the government for the purpose of providing better services by nurses and doctors in Victoria, and I am pleased to say that they have served their intended purposes very well.

Since those acts were introduced some issues have arisen in their respective application: the intention of the amending bill is to accommodate those difficulties. I wish the bill a speedy passage.

Mrs TEHAN (Minister for Health) - I wish to close the debate on the Medical Practice and Nurses Acts (Amendment) Bill and thank both members for their contributions.

The honourable member for Albert Park indicated that he does not oppose the bill. He recognises that a matter was raised in a particular case as to the clarity of the provisions relating to unprofessional conduct or, as it was called in the previous legislation, professional misconduct, in a number of cases, and a test case has created legal argument as to the effectiveness of the transition provisions in the current legislation. This bill will address the matter and I thank the honourable member for Albert Park for his support of it. I also thank the honourable member for Gippsland South, who has given a very good analysis of the circumstances of the case and the matters that led to the measure before the house and of the position that it now creates.

The honourable member for Albert Park queried whether the legislation will impact on the case that was before the Medical Board and which brought the matters to the attention of the government. That will be a matter for the Medical Board to decide. However, there is no doubt that now there is nothing in the legislation to preclude the case being heard, the board will have to seek its own advice about the appropriateness of the re-hearing of the case, or the continued hearing of the case, taking into account the legitimate defences that the defendant might raise. Certainly in terms of subsequent cases there is no doubt that this amendment will cover any legal argument relating to possible loopholes in the legislation.

The honourable member for Gippsland South similarly spoke to the other minor matters addressed in the legislation about the provision of nurses for up to three years so there is a turnover of the nurses rather than an all-in and an all-out at the end of three years, and to another matter raised with us by practitioners under the infertility legislation.

I indicate that the legislation — especially the nurses bill — was the first of the new series of practitioner legislation brought about by this government and created the new focus of practitioners boards on addressing the needs of the public first and foremost.

The work of both boards — the Nurses Board, under the leadership of June Allen, who was one of our pre-eminent nurse practitioners in this state; and the Medical Board under Dr Kerry Breen — has been very good and has met all the expectations of both the opposition and the government. I am sure that the public does and should have full confidence in the work being done by those boards.
When the nurses legislation was before this house it was interesting that the opposition strongly opposed it in terms of the composition of the members on the Nurses Board. It felt that the sky would fall in if we did not have representation per se and elected people on that board. Despite the arguments that the board was to represent the public and that there would be broad-based representation in the composition of that board, nonetheless the union — the ANF, aided and abetted by the opposition — protested strongly.

The outcome in terms of the appointment of people to the Nurses Board has vindicated the stand and the arguments of the government, which were based on the best advice we had that this board, appointed to fill a real need in terms of public protection and to uphold the high standards of nursing practice and profession, has conducted itself remarkably well. I pay tribute to June Allen, chairman, and the members and staff of the Nurses Board. They are totally independent of the department and have their own facilities on their own premises. They are doing excellent work. We have asked them to take on a number of sensitive but important matters by preparing guidelines in anticipation of changes to some nursing practices. I am confident they will continue to serve the health industry extremely well.

Similarly the Medical Board of Victoria, which is a smaller board, has excellent and committed members, and it continues to protect the public and the excellent reputation of the medical profession in its work.

This amending bill is the result of legislation being tested by our best legal minds. We always need to bring amendments such as this to meet changing circumstances and legal arguments as they are presented. I thank all those involved in speedily addressing and clarifying the situation in terms of this sensitive legislation. The work of both these boards is of vital importance to the people of Victoria and it has been assisted by the legislation. I commend the bill to the house.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.
are delays in determining whether a person will lose his or her licence. A medical report must be obtained and that is considered by a medical practitioner at the Office of Forensic Medicine who may recommend that the person’s licence be suspended or cancelled. The bill allows that recommendation to be carried out immediately, with an opportunity for the person to appeal to the Magistrates Court. It is a bit like being convicted before being proven guilty, but there are checks and balances because the person must go before a medical officer of the department.

The next amendment in the bill deals with the power of police to prohibit people from driving. Until this stage there has been no appeal process against decisions by police officers. The bill corrects that omission, and we welcome that provision. Another amendment provides that the period from which demerit points apply will begin from the time the offence is committed rather than when the person pays the fine.

The bill requires that persons convicted of driving while under the influence of drugs or alcohol undertake a rehabilitation course. We welcome that provision, which ensures that people who have these convictions are given an opportunity for rehabilitation.

The bill also provides for taking further blood samples to examine alcohol levels. There was some confusion about whether only two samples could be taken. The bill provides that more than two samples can be taken if necessary. The RACV responded when we sent them a draft of the bill that it was concerned that a person may be required to provide sample after sample, which might be an infringement of the person’s civil liberties. I direct that matter to the attention of the government.

It was recommended that people who had been convicted of drug or alcohol driving offences must carry their licences at all times, and we welcome that. Penalties have been introduced for anyone who attempts to obtain information from the database held by VicRoads. This is a good amendment and it should be welcomed by all.

The bill also provides for the creation of a new industry by making it lawful to collect licence plates. Some people enjoy collecting old plates, and this provision will be welcomed by them.

Another amendment provides for the use of passenger vehicles which are not licensed for operating in hazardous areas. The same restrictions that apply under the Transport Act are now included in the Road Safety Act so that drivers in hazardous areas must comply with those provisions.

We welcome the bill. It is positive and we wish it a speedy passage through the house.

Mr BROWN (Minister for Public Transport) — I thank the opposition for its continuing contribution to road safety in Victoria by maintaining the bipartisan approach to road safety issues. Much has been said in debates in this house, where over 20 years there has been cooperation between the government and the opposition of the day. We are all pleased to see the further advancement of road safety and the progress of the bill to another place. I put on record the government’s appreciation of the opposition’s constructive cooperation in the matter.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

Sitting suspended 6.31 p.m. until 8.05 p.m.

ELECTRICITY INDUSTRY (AMENDMENT) BILL

Committee

Resumed from 30 May; further discussion of clause 1.

Clause 1 agreed to; clauses 2 and 3 agreed to.

Clause 4

Mr S. J. PLOWMAN (Minister for Energy and Minerals) — I move:

1. Clause 4, page 3, after line 26 insert —

""corporation" has the same meaning as in the Corporations Law;"

This amendment simply introduces more clarity.

Amendment agreed to; amended clause agreed to; clauses 5 to 11 agreed to.
Clause 12

Mr S. J. PLOWMAN (Minister for Energy and Minerals) — I move:

2. Clause 12, lines 14 to 16, omit "and land which is land used for generation functions by a generation company".

3. Clause 12, lines 19 to 23, omit all words and expressions on these lines and insert —

"(1) Despite anything in the Local Government Act 1989 —

(a) a generation company that is liable to pay rates in respect of land used for generation functions may, instead of paying rates in respect of that land, elect by notice in writing given to the relevant council to pay amounts agreed or determined under sub-section (3); or

(b) the relevant council may, by notice in writing given to a generation company that is liable to pay rates in respect of land used for generation functions, require that company to pay, instead of rates in respect of that land, amounts agreed or determined under sub-section (3).

(1C) A generation company that elects to, or is required to, pay amounts under this sub-section must pay to the relevant council —.

4. Clause 12, lines 32 to 35 and page 11, lines 1 and 2, omit "as the Governor in Council determines is payable by that generation company to that relevant council at such times as the Governor in Council determines" and insert "and at such times as is determined by an arbitrator jointly appointed by the generation company and the relevant council or, if within a reasonable time they fail to agree on such an appointment, by the chairperson of the Victoria Grants Commission as arbitrator or by another arbitrator nominated by that chairperson".

5. Clause 12, page 11, lines 8 to 12, omit all words and expressions on these lines and insert "such amount and at such times as is determined by an arbitrator jointly appointed by the generation company and the relevant council or, if within a reasonable time they fail to agree on such an appointment, by the chairperson of the Victoria Grants Commission as arbitrator or by another arbitrator nominated by that chairperson".

6. Clause 12, page 11, after line 12 insert —

"(4) In determining an amount under sub-section (3), an arbitrator must have regard to any amounts required to be paid under section 27(2) of the Loy Yang B Act 1992.

(5) The Commercial Arbitration Act 1984 applies to arbitrations under this section.

7. Clause 12, page 11, line 13, omit "(3)" and insert "(6)".

8. Clause 12, page 11, line 18, omit "(4)" and insert "(7)".

These amendments accept that the generation companies are rateable but they introduce a means by which if there is disagreement between the local government body and the generation company as to the amount of rate, there can be a written agreement between them as to the rate to be charged. If that cannot be agreed, the matter can go to arbitration under the Commercial Arbitration Act and the arbitrator is appointed by the chairperson of the Victoria Grants Commission, who himself or herself can be an arbitrator. They clarify also that in an arbitration any arbitrator should have regard to the provision in the Loy Yang B Act that takes this question into consideration and allows for a negotiated rate to be paid by the Loy Yang B power station to the local government bodies concerned.

Amendments agreed to; amended clause agreed to; clauses 13 to 25 agreed to.

Clause 26

Mr S. J. PLOWMAN (Minister for Energy and Minerals) — I move:

9. Clause 26, page 20, after line 28 insert —

"(1C) The first Order made under this section has effect from 3 October 1994."

This amendment gives effect to the tariff order from 3 October 1994.

Amendment agreed to; amended clause agreed to.

Clause 27

Mr S. J. PLOWMAN (Minister for Energy and Minerals) — I move:

10. Clause 27, line 31, omit ",, 158B or 163A," and insert "or 158B".

11. Clause 27, line 35, omit ",, 158B or 163A," and insert "or 158B".

12. Clause 27, line 37, after "Order" insert —

"and
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ELECTRICITY INDUSTRY (AMENDMENT) BILL

(c) an Order cannot be made under section 163A other than —
   (i) an Order wholly revoking another Order; or
   (ii) an Order determining an impost payable by a distribution company in relation to a financial year in respect of which an Order has not previously been made under that section in relation to that distribution company."

Amendments 10 and 11 are consequential drafting amendments. Amendment 12 provides for the first order to be for the 1994-95 financial year and the second order to be for the year after that. That gives more clarity to the timetable of the orders.

Amendments agreed to; amended clause agreed to.

Clause 28

Mr S. J. PLOWMAN (Minister for Energy and Minerals) — I move:

13. Clause 28, line 14, after “(d)” insert “in the case of an application for a licence to generate electricity for supply or sale or a licence to distribute or supply electricity.”.

This is a consequential amendment affecting the cross-ownership rules set out in the bill.

Amendment agreed to; amended clause agreed to; clause 29 agreed to.

Clause 30

Mr S. J. PLOWMAN (Minister for Energy and Minerals) — I move:

14. Clause 30, page 24, lines 8 to 10, omit "before the end of the first year of the term of the licence” and insert —

“(a) if the licence is issued before 30 June 1996 —
   (i) before 30 June 1995, in the case of the impost in respect of the financial year ending on that date; and
   (ii) before 30 June 1996, in the case of the impost in respect of each year ending on 30 June in the period beginning on 30 June 1996 and ending on 30 June 2001; and
(b) if the licence is issued on or after 30 June 1996, before the end of the first year of the term of the licence.”.

This amendment provides for two franchise-free periods. The first period is to 30 June 1995; the second is to 30 June 1996.

Amendment agreed to; amended clause agreed to.

Clause 31

Mr S. J. PLOWMAN (Minister for Energy and Minerals) — I move:

15. Clause 31, line 16, after “or” insert “, in the case of a licence to generate electricity for supply or sale or a licence to distribute or supply electricity.”.

This amendment is simply a clarification of drafting.

Amendment agreed to; amended clause agreed to.

Clause 32

Mr S. J. PLOWMAN (Minister for Energy and Minerals) — I move:

16. Clause 32, page 26, line 27, after “person” insert “(being a corporation)”.
17. Clause 32, page 26, lines 35 and 36, omit “in that person (being a corporation)”.
18. Clause 32, page 26, line 39, omit “the” and insert “that”.
19. Clause 32, page 27, line 3, omit “the” and insert “that”.

These amendments are simply drafting clarifications.

Amendments agreed to; amended clause agreed to; clauses 33 to 35 agreed to.

Clause 36

Mr S. J. PLOWMAN (Minister for Energy and Minerals) — I move:

20. Clause 36, page 30, line 1, after “is” insert “entitled to shares in or is”.
21. Clause 36, page 31, line 4, omit “licensee” and insert “corporation”.
22. Clause 36, page 31, line 22, omit “licensee” and insert “corporation”.
23. Clause 36, page 32, line 4, after “persons” insert “, or persons who have acquired some or all of the shares in that corporation.”.
24. Clause 36, page 32, line 8, omit “licensee” and insert “corporation”.

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25. Clause 36, page 32, line 9, omit “licensee” and insert “corporation”.
26. Clause 36, page 32, line 10, omit “licensee” and insert “corporation”.
27. Clause 36, page 32, line 12, after “Law” insert “as a reference to a relevant interest to which sub-section (2) of this section applies”.
28. Clause 36, page 37, line 5, after “corporation’s” insert “entitlement to”.
29. Clause 36, page 37, lines 30 to 37, omit paragraphs (b) and (c) and insert —
   “(b) if the person is entitled to shares in the corporation that confer, or if a dividend were declared or a distribution of profits were made by the corporation that would confer, a right to receive a share of the dividend or distribution, that share of the dividend or distribution expressed as a fraction of the total dividend or distribution; or
   (c) if the person is entitled to shares in the corporation that confer, or in the event of any other distribution of property or rights by the corporation, whether on dissolution or otherwise, would confer, an entitlement to receive a share of the property or rights, that share of the property or rights expressed as a fraction of the total property or rights; or”.
30. Clause 36, page 38, after line 10 insert —
   “(13) In calculating a person’s direct interest in a corporation for the purposes of sub-section (10)(a), the person’s entitlement to shares in the corporation in which an interposed entity in the chain has a relevant interest must be disregarded.
   (14) If the Office is of the opinion that the calculation of a person’s traced interest in generating capacity of a corporation involves duplication, the Office may determine that any one or more specified interests must be disregarded.”.
31. Clause 36, page 39, line 4, omit “sub-sections (5) and (6)” and insert “sub-section (7)”. 
32. Clause 36, page 39, line 11, omit “and (6)” and insert “, (6) and (7)”. 
33. Clause 36, page 39, lines 21 to 34, omit proposed sub-section (4) and insert —
   “(4) A distribution company holds a prohibited interest in generating capacity of more than 200 megawatts.”.
34. Clause 36, page 40, line 2, omit “(2) or”. 
35. Clause 36, page 40, after line 11 insert —
   “(6) At any time after a determination is made under sub-section (5) in relation to a person, the Office may, by notice in writing served on that person, determine that circumstances have changed so that it is no longer satisfied as to the matters set out in sub-section (7)(a) in relation to the person and that the person has a prohibited interest within the meaning of sub-section (3)”.
36. Clause 36, page 40, line 12, omit “(6)” and insert “(7)”. 
37. Clause 36, page 40, line 25, omit “(7)” and insert “(8)”. 
38. Clause 36, page 43, line 29, omit “being”. 
39. Clause 36, page 45, line 19, omit “a specified” and insert “an”.

Amendments 21 to 26 are all drafting clarifications. Amendment 27 ensures that the Corporations Law applies to cross-ownership. Amendment 28 is a drafting clarification. Amendment 29 relates to the cross-ownership provisions and the tracing of an interest in an entity by the relevant owners. Amendment 30 also relates to the tracing provisions. Amendment 31 is a consequential amendment, as is amendment 32. Amendment 33 removes what was to be a 200-megawatt limit on co-generation and inserts instead that it apply to all generation, no matter from what source. Amendment 34 is a consequential amendment. Amendment 35 gives the Office of the Regulator-General the power that person, determine that circumstances have changed so that it is no longer satisfied as to the matters set out in sub-section (7)(a) in relation to the person and that the person has a prohibited interest within the meaning of sub-section (3)”.

Amendments 36, 37, 38 and 39 are all consequential.

Amendments agreed to; amended clause agreed to.
Clause 37

Mr S. J. PLOWMAN (Minister for Energy and Minerals) — I move:

40. Clause 37, page 50, line 5, after “Schedule 3A” insert “and the folio of the Register describing the land formerly contained in Certificate of Title Volume 9819 folio 592”.

41. Clause 37, page 55, line 12, omit “the”.

42. Clause 37, page 55, line 20, omit “the”.

43. Clause 37, page 56, line 8, omit “the”.

Amendment 40 clarifies certificates of title and details of transfer. Amendments 41, 42 and 43 are all consequential.

Amendments agreed to; amended clause agreed to.

Clause 38

Mr S. J. PLOWMAN (Minister for Energy and Minerals) — I move:

44. Clause 38, page 67, omit “9819 592”.

45. Clause 38, page 67, after “9524 665” insert “9819 592”.

46. Clause 38, page 68, in Table A, omit “of the Treasury” and insert “of Treasury”.

47. Clause 38, page 70, after “9819 592” insert “(former title)”.

48. Clause 38, page 73, item 6, omit “of the Treasury” and insert “of Treasury”.

49. Clause 38, age 73, item 7, omit “of the Treasury” and insert “of Treasury”.

Amendments 44 and 45 correct title details; and amendments 46 to 49 amend the wording.

Amendments agreed to; amended clause agreed to; clauses 39 to 68 agreed to; schedule agreed to.

Reported to house with amendments.

Third reading

House divided on motion:

<table>
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<tr>
<th>Ayes</th>
<th>Noes</th>
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Motion agreed to.

Read third time.

Passed remaining stages.

INFERTILITY TREATMENT BILL

Committed.

Committee

Clause 1

Mr DOYLE (Malvern) — The government supports the work of the Standing Review and Advisory Committee on Infertility which worked under Professor Louis Waller for 10 years. Although
it acted in good faith, by the end of its deliberations it had reached a gridlock. I am not in any way being critical of the committee's work, but in the introduction to the final volume of that work entitled Review of 'Post-syngamy' Embryo Experimentation — Part III: Recommendations for Amendment of the Infertility (Medical Procedures) Act 1984, it states:

While the committee is unanimous in its recommendations on most of the accompanying draft legislation, there are several provisions in the bill where differences of opinion amongst members of the committee exist, and find expression. This is consistent with what has been clearly expressed in the committee's earlier reports. These views usually appear as different versions of specific provisions. In some instances the differences consist of an additional word, or an extra phrase, or a further clause. In others, several members do not support the inclusion of a particular subclause, or a sentence. In a few instances alternative sections or parts of sections express the differences. The several views are expressed in a way which emphasises that most of this draft has the support of the whole committee.

In the course of its final recommendations the committee resorted to quite ingenious methods to delineate the differences of opinion wherever they occurred; and whether that was done by the use of shaded boxes or by different views being expressed, it seems to me that they had reached the natural conclusion of their deliberations when they no longer agreed. Therefore, members on both sides of the house would agree it was timely for this complex legislation to be reviewed and completely rewritten.

I was delighted to hear the honourable member for Albert Park on Tuesday deliver a most rational and measured contribution to the debate.

I wish to make four brief points. The first concerns the guiding principles, which no-one would argue are inappropriate for inclusion in the bill and which the opposition has not argued are in the wrong order. Although there are precedents it is by no means common for a bill to have a set of guiding principles.

The first and most important principle, and the first to be applied, states that the welfare and interest of any person born or to be born as a result of treatment procedures must be paramount. Although there may seem to be some tension between that principle and the second principle, which is that human life should be preserved and protected, there is not. As members of Parliament we would all subscribe to the second principle, but in this instance we are dealing with a potential life, one not yet realised, and we have to be sure in all conservative rectitude that any child born as a result of this process will not be harmed in any way psychologically or physically.

I was delighted to hear the opposition agree with the principles and their descending order. An important part of that also goes to the matter of surrogacy. Why does the bill continue to prohibit commercial surrogacy and void altruistic surrogacy agreements? It is because every person in our society must have an unambiguous identity, and there would be questions about ambiguity of identity if that first guiding principle were not applied first and if we were to give any sanction to the principles of either commercial or altruistic surrogacy. For that reason these are good provisions.

Honourable members would know that prior to coming to this place I was a teacher. My experience as a teacher taught me that the central question that seems to face any child in his or her formative years is the question: who am I? Through their formative years children seek to find their own identities, and anything which a Parliament, other legislature or society in general may do to make identity ambiguous would be a retrograde step. Both the guiding principles and the provisions for surrogacy will ensure that the idea of an ambiguous identity will not be entertained — that identity must be unambiguous. The government supports that philosophy.

I will return later to deal with clause 53, but in the debate so far one point has not been made adequately. The first research work I was given as a member of Parliament was to look at three volumes of the report of the Standing Review and Advisory Committee on Infertility. I remember sitting on a beach — I think at Anglesea — getting sand between the pages while reading the report and making notes as I went. At the time I thought it was extremely exciting to be involved in such a central issue of bioethics and that it would be interesting to talk to a range of people on it.

I commend the minister and the parliamentary secretary. I recall the extensive consultation that took place over a period of weeks with every single group that could possibly be touched by the legislation and the canvassing of a full range of
INFERTILITY TREATMENT BILL

Thursday, 1 June 1995

views from many different people, in which I was involved.

The honourable member for Albert Park correctly pointed out that this is complex legislation. That partly reflects the tremendous number of people, groups and institutions in the community who are directly affected by this issue. I found instructive the extensive consultation that took place with all sorts of people ranging from clinicians, through families involved in the programs to people who were born as a result of artificial fertilisation procedures.

Clinicians made the point, and it struck me as curious, that in 1984 this was brave new world technology — although it was not frightening, it was the cutting edge of technology — and one of the provisions in the original act is that embryos have to be preserved forever. The clinicians said, 'This is silly. We do not need to do this; in the past 10 years we have moved on.' They were asking for a provision allowing the destruction of embryos that are no longer required. The bill provides for that to happen after five years.

The other point many of them made was that after families counselled and advised had developed a trust in them, they were not able to complete the procedure for them and had to pass those families on to someone else. It apparently baffled many families who dealt with clinicians that after they had built up a professional relationship of trust they were suddenly told, 'You have to go to somebody else now.' There may have been good reasons for that: I can put myself into the minds of the legislators, who were perhaps erring on the side of conservatism.

A clinician I spoke with said it would be much better if the person to whom families came and with whom they developed a trusting relationship were able to carry through to a successfully concluded birth. The bill makes provision for that to happen.

The other thing that has changed is the make-up of the committee.

The committee under Professor Louis Waller was certainly looking at bioethical issues very new to the community. That is no longer the case. We are now dealing with what is not an everyday procedure but is certainly one with which the clinicians, the families and the institution are comfortable and practised in. Therefore it is appropriate that we reconstitute the advisory committee.

I know the honourable member for Albert Park mentioned it briefly, but I, too, commend the work done in broadening that committee, particularly under clause 142, and the addition of the categories listed in paragraphs (c), (d), (h), (j), (k) and (m). The inclusion of people in those categories is what you would expect of a judicious legislature when the process has been ongoing for some years. They are people with clinical experience in carrying out treatment procedures; embryologists; people involved in the management of major research institutions which do not carry out treatment procedures; people with experience in the field of treatments and techniques for the prevention of infertility; people who have participated in programs for the treatment of infertility; and people born as a result of fertilisation procedures or artificial insemination. As the honourable member for Albert Park pointed out, that seems to represent a range of expertise and investment in this important area that will give us the best possible advice.

The minister is to be commended for that significant broadening of the expertise base. It is not inconsistent with previous reconstitutions of boards where we did not look to particular areas of constituency but rather to areas of expertise. The membership provisions state that the committee is to consist of not more than 14 members, but in making nominations we must have regard to the need for diversity of experience, and the membership is to be drawn from as many of the foregoing categories as possible.

Again it does not bring people to such an advisory committee with a particular vested interest or constituency, but rather with expertise in a particular area. That is entirely consistent with what the minister has done before. I would argue that in that sense also we have moved the legislation forward.

The final point I wish to make is that this is an area where some would argue that legislators have no role and that these things are best left to the practitioner or the ethics committees of hospitals or community opinion. However, I am pleased to see, through the agreement of the opposition, that we can all be helpful in the debate and actually move the debate forward with an educative role in helping families achieve their desire to have children. It is positive for this Parliament.

I certainly welcome the support of the opposition and I commend the minister. I must thank the
parliamentary secretary for his work in the consultative process that went into creating what I believe is a humane, responsible and complex piece of legislation that will help people. It will be welcomed by all sections of the community.

Mr CLARK (Box Hill) — I wish to comment briefly on the bill as I did not have the chance to do so during the course of the second-reading debate. I start from the premise that artificial fertilisation procedures should not be allowed unless each egg fertilised as a result of such a procedure has a chance of proceeding to a full life of the same order of magnitude as one conceived by natural means.

Given that, and given that many artificial fertilisation techniques these days do not meet that requirement, much of the bill is about provisions of a second or third order of preference.

In that context the bill has a number of welcome features. However, I think it is unfortunate that one of the effects of the structure of the bill is that it extends the scope for embryo biopsies, which can result in embryos being excluded from the opportunity of proceeding to implantation. On the other hand, it is most welcome that the bill confirms a prohibition on embryo experimentation beyond the point of syngamy, and the minister and the government are to be congratulated for ensuring that that measure is included in the bill.

Mrs TEHAN (Minister for Health) — Each and every amendment before the house tonight is technical in the sense that it seeks to clarify or improve the draft legislation. The substance, policy and principal issues have not been addressed other than with one small reference in the amendment to clause 53, which will be discussed as we come to it.

All the other amendments are the result of contributions by a series of people who examined the bill as we presented it to the house and had it debated and passed. We have sought to make its wording clearer and more precise.

This has been one of the challenges of the legislation — to get the principles right and to spell out clearly what we sought to do, and then to get it into language that is understandable, clear, concise and precise.

I acknowledge the contributions of the Standing Review and Advisory Committee on Infertility, which examined the bill and then put forward some of the proposed amendments. The scientists involved included Dr Andrew Spiers, Nick Tonti-Filippini, the ethicist who has always taken an active interest in these matters, and members of the government’s health policy committee headed by Dr Napthine. Each and every one of those people and others have worked on the bill since its introduction and have contributed to the amendments now before the house.

Clause 1 agreed to; clauses 2 to 7 agreed to.

Clause 8

Mrs TEHAN (Minister for Health) — I move:

1. Clause 8, line 25, after “or” insert “a”.

The amendment clarifies that a treatment procedure may be carried out on a woman to enable her to avoid having a child with any kind of disease regardless of whether or not the disease is transmitted genetically. The addition of the word ‘a’ means it is a generic interpretation of the word ‘disease’ as opposed to the narrower genetically transmitted interpretation that otherwise might have been made clear.

Mr THWAITES (Albert Park) — Clause 8 has been amended in a fairly technical way, but I direct the attention of the house to comments by Mr Tonti-Filippini, the medical ethicist referred to by the minister. Mr Tonti-Filippini is concerned, with some justification, that the current clause 8 is a considerable broadening of the present procedures in the act.

He has advised that clause 8(3)(a), in particular, is a considerable weakening of the current act. The satisfaction of the doctor may rest on somewhat weak grounds and Mr Tonti-Filippini advises that in his view the couple may be only ‘socially infertile’ and not in fact ‘infertile’. He says they may have decided not to have a child by abstention from sexual activity that might result in fertilisation or they may be using contraceptives.

I am referring to a letter from Mr Tonti-Filippini on this matter. It has a direct bearing on surrogacy and states:

The bill does not permit non-commercial surrogacy and this section would not exclude a woman, with her husband’s consent, undergoing a treatment procedure as part of a surrogacy arrangement for another couple. The current act did limit the procedures to couples whose infertility had been demonstrated by their undergoing treatment for it for a reasonable period of time.
I further quote from a commentary from Mr Tonti-Filippini in relation to subsection (3)(b), in which he states:

(3)(b) again used the 'must be satisfied' formulation which is far too weak. Second it uses the formulation 'a genetic abnormality or disease might be transmitted to a person born as a result of the pregnancy. This is so broad that it would include every woman's pregnancy. Every pregnancy might result in a child with a genetic abnormality or disease. Second, 'genetic abnormality' is a very broad term, as is 'disease'. Finally there is no such a thing as 'genetic normality'. Each person is genetically unique and hence in some way 'abnormal'.

I quote from that commentary because I think the points raised by Mr Tonti-Filippini are validly made and ought to be considered by this Parliament.

Although the amendment clarifies the section, the attention of the house must be drawn to the points made by Mr Tonti-Filippini.

Dr NAPTHINE (Portland) — It is pleasing to be able to join this debate on the issues raised by Mr Tonti-Filippini. He has a significant track record as a contributor to the area of human endeavour as a bioethicist and in a number of other areas. However, in this case I think he has been overly cautious in his comments and has failed to read clause 8(3)(a) properly. Therefore I believe his interpretation wrong. Clause 8(3) says:

(a) a doctor must be satisfied, on reasonable grounds ... 

So it is not a simple matter: the doctor must be satisfied on reasonable grounds, which has significant legal meaning. I am sure the honourable member for Albert Park is aware of that. In his letters referred to by the honourable member for Albert Park Mr Tonti-Filippini also suggested that people might demonstrate their infertility because they are socially infertile or through abstention or contraception and therefore qualify for it. That again is incorrect.

Let me put it clearly on the record:

(a) a doctor must be satisfied, on reasonable grounds, from an examination or from treatment he or she has carried out that the woman is unlikely to become pregnant from an oocyte produced by her and sperm produced by her husband —

aid the words here are very important —

other than by a treatment procedure;

If they are infertile through having abstained from sex or using contraception, then clearly they fail the test of 'other than by a treatment procedure', because there are other methods they can undertake to seek such pregnancy such as ending the period of abstinence or going off contraception. I think Mr Tonti-Filippini has misinterpreted that clause: hence his concerns about clause 8 increasing the window of opportunity for surrogacy through those means is again a misinterpretation of the clause.

There have been some changes in the clause, which I referred to in the second-reading debate, in terms of allowing people to undergo procedures without waiting for the 12-month rule. In the second-reading debate it was demonstrated that if it is clear on an early medical examination of a couple that infertility exists because the woman has no ovaries, the man cannot produce any sperm, or other such things, the couple does not have to wait 12 months to prove infertility. Therefore that rule was felt unnecessary.

The other rule that has been removed about access to IVF is the second doctor rule, where two separate doctors have to deal with the couple. Again I think it is a step forward.

The other area referred to in the amendment put forward by the minister is a clarification about genetic abnormality or disease. Again Mr Tonti-Filippini was quoted by the honourable member for Albert Park: he believes the words 'genetic abnormality' are open to wide interpretation. I think it is quite clear to most people that what we are seeking to do here, and what is represented in the wording, is to prevent diseases such as haemophilia, motor neurone disease and a number of others that are clearly genetic and hereditary in nature. Those are the sorts of things we are seeking to avoid, and by using the technique of embryo biopsy they can be avoided. Couples who have had a child who suffers from those diseases would certainly welcome the opportunity to use these techniques. That is broadened slightly with the advent of being able to use it to avoid a disease.

In the second-reading debate I referred to a number of viral diseases that can be transmitted through seminal fluid or through the mother, via the egg, to the child. If we can use IVF to avoid those diseases, that will be of benefit to society.

In concluding my comments on this clause I indicate that the comments of Mr Nicholas Tonti-Filippini that were raised by the honourable member for Albert Park needed to be addressed. While he has
made a positive contribution over a considerable time on these issues, in this particular case Mr Tonti-Filippini is wrong in his interpretation of the clause. There are safeguards in here to ensure that the people who undergo these procedures are clearly in need of them because of infertility, genetic abnormalities or diseases which they are seeking to avoid.

Amendment agreed to; amended clause agreed to; clause 9 agreed to.

Clause 10

Mrs TEHAN (Minister for Health) — I move:
2. Clause 10, line 26, after “62” insert “or 63”.
Amendment agreed to; amended clause agreed to; clauses 11 and 12 agreed to.

Clause 13

Mrs TEHAN (Minister for Health) — I move:
3. Clause 13, line 32, after “kind of” insert “treatment”.
Amendment agreed to; amended clause agreed to; clause 14 agreed to.

Clause 15

Mrs TEHAN (Minister for Health) — I move:
4. Clause 15, page 16, after line 19 insert —
“(5) An objection by a spouse of a donor lapses if the person who made it ceases to be married to the donor.”.
Amendment agreed to; amended clause agreed to; clause 16 agreed to.

Clause 17

Mrs TEHAN (Minister for Health) — I move:
5. Clause 17, line 32, after “62” insert “or 63”.
6. Clause 17, page 17, line 5, omit “that procedure” and insert “a donor treatment procedure”.
Amendments agreed to; amended clause agreed to.

Clause 18

Mrs TEHAN (Minister for Health) — I move:
7. Clause 18, lines 22 and 23, omit all words and expressions on these lines and insert —
“(b) the donor and the spouse of the donor (if any) have consented to its use in the procedure, knowing that the donor has been identified; and”.
8. Clause 18, line 24, omit “and the donor” and insert “the donor and the spouse of the donor (if any)”.
9. Clause 18, after line 35 insert —
“(3) In this section, “spouse”, in relation to a donor, means a person to whom the donor was married when the donor gave consent under sub-section (1)(b).”.
Amendments agreed to; amended clause agreed to.

Clause 19

Mrs TEHAN (Minister for Health) — I move:
10. Clause 19, line 5, omit “has” and insert “and the spouse of the donor (if any) have”.
11. Clause 19, lines 8 and 9, omit “donor is aware that he or she” and insert “person is aware that the donor”.
12. Clause 19, line 13, omit “his or her gametes are to be used” and insert “the consent relates to the use of gametes”.
13. Clause 19, line 14, omit “to which the consent relates”.
14. Clause 19, lines 25 to 28, omit “if a zygote or embryo formed from his or her gametes is to be used in the treatment procedure to which the consent relates,” and insert “if the consent relates to the use of a zygote or an embryo in the treatment procedure,”.
15. Clause 19, after line 31, insert —
“(4) In this section, “spouse” in relation to a donor, means a person to whom the donor was married when the donor gave consent under section 18(1)(b).”.
Amendments agreed to; amended clause agreed to.

Clause 20

Mrs TEHAN (Minister for Health) — I move:
16. Clause 20, line 14, after “or” insert “a”.
17. Clause 20, line 30, after “or” insert “a”.
18. Clause 20, page 20, line 12, after “or” insert “a”.
Amendments agreed to; amended clause agreed to; clause 21 agreed to.
Clause 22

Mrs TEHAN (Minister for Health) — I move:

19. Clause 22, page 22, line 1, omit “as” and insert “or”.
20. Clause 22, page 22, line 3, omit “prison” and insert “person”.

Amendments agreed to; amended clause agreed to; clauses 23 to 26 agreed to.

Clause 27

Mrs TEHAN (Minister for Health) — I move:

21. Clause 27, line 22, after “gamete” insert “to be”.
22. Clause 27, line 25, omit “conducting” and insert “who is to conduct”.
23. Clause 27, page 24, line 6, omit “conducting” and insert “who is to conduct”.

Amendments agreed to; amended clause agreed to.

Clause 28

Mrs TEHAN (Minister for Health) — I move:

24. Clause 28, line 13, after “the” insert “use of the gamete, zygote or embryo (as the case requires) in the”.

Amendment agreed to; amended clause agreed to.

Clause 29

Mrs TEHAN (Minister for Health) — I move:

25. Clause 29, line 6, omit “the use” and insert “the particular use”.
26. Clause 29, line 7, omit “for” and insert “in”.
27. Clause 29, line 9, omit “procedure takes place” and insert “gamete, zygote or embryo is used for the research”.

Amendments agreed to; amended clause agreed to.

Clause 30

Mrs TEHAN (Minister for Health) — I move:

28. Clause 30, page 26, after line 7, insert —

“(5) An objection by a spouse of a donor lapses if the person who made it ceases to be married to the donor.”.

Amendment agreed to; amended clause agreed to; clauses 31 and 32 agreed to.

Clause 33

Mrs TEHAN (Minister for Health) — I move:

29. Clause 33, line 13, after “consents” insert “or objections”.
30. Clause 33, line 21, after “or” insert “to”.

Amendment agreed to; amended clause agreed to.

Clause 34

Mrs TEHAN (Minister for Health) — I move:

31. Clause 34, page 28, line 2, omit “conducting” and insert “who is to conduct”.

Amendment agreed to; amended clause agreed to.

Clause 35

Mrs TEHAN (Minister for Health) — I move:

32. Clause 35, line 10, omit “research” and insert “particular research or for research generally”.
33. Clause 35, line 12, after “procedure” insert “using the gamete”.

Amendments agreed to; amended clause agreed to; clauses 36 to 45 agreed to.

Clause 46

Mrs TEHAN (Minister for Health) — I move:

34. Clause 46, lines 27 and 28, omit paragraph (c) and insert —

“(c) using a zygote or an embryo formed from the mixing of —

(i) an oocyte with sperm produced by more than one man; or

(ii) sperm with more than one oocyte, if the oocytes are produced by more than one woman.”.

Amendment agreed to; amended clause agreed to; clauses 47 to 49 agreed to.

Clause 50

Mrs TEHAN (Minister for Health) — I move:

35. Clause 50, line 23, before “disease” insert “a”.

Amendment agreed to; amended clause agreed to; clauses 51 and 52 agreed to.
INFERTILITY TREATMENT BILL

Clause 53

Mrs TEHAN (Minister for Health) — I move:

36. Clause 53, page 37, lines 5 to 7, omit all words on these lines and insert —

"procedure or approved research must ensure that —

(a) it is not removed from its container (except for the sole purpose of observing the zygote or embryo); and

(b) it is disposed of in accordance with the regulations.".

Mr DOYLE (Malvern) — I wanted to make a point about this small amendment, which I am not sure can be characterised as a change in policy, although it is slightly different from the technical amendments we have run through so expeditiously under your guidance, Mr Chairman.

The original section provided that a person who removes from storage a zygote or embryo which is not to be used for a treatment procedure or approved research must ensure that it is not removed from its container and is otherwise disposed of in accordance with the regulations. The penalty for breaching that provision is severe at 240 penalty units, two years imprisonment, or both.

When speaking to clinicians about this particular clause it was brought to our attention that if clinicians want simply to observe a zygote or embryo they do not want to conduct a treatment procedure, nor is observation an approved research. It would be observation. It is not intrusive in any way and will not affect the result of that zygote or embryo, but the clinicians pointed out a practical situation in assisting infertile couples to have children. If an embryo or zygote had been in storage for a number of years and they were able to observe it, they may be able to determine after a period of time that such zygote or embryo would not be suitable for implantation or would be highly unlikely to successfully result in a pregnancy. Perhaps then the clinicians could better offer their patients advice about having a family.

They may well say that if a particular family had zygotes or embryos in storage for five years and found through non-intrusive observations that 6, 7, or 8 years was the point beyond which the probability of pregnancy dropped markedly, they would be able to offer families better advice that would result in successful pregnancies.

Although I would not characterise this as a change in policy, it is certainly not an intrusive treatment or anything that would be considered approved research. The minister should be commended for allowing this consultative period. This change allows some families to have children in a way that would not be possible under the act.

Amendment agreed to; amended clause agreed to; clauses 54 and 55 agreed to.

Clause 56

Mrs TEHAN (Minister for Health) — I move:

37. Clause 56, page 39, line 5, omit “a” and insert “are”.

Amendment agreed to; amended clause agreed to; clause 57 agreed to.

Clause 58

Mrs TEHAN (Minister for Health) — I move:

38. Clause 58, line 16, omit “or”.

39. Clause 58, lines 17 to 19, omit paragraph (c).

Amendments agreed to; amended clause agreed to; clauses 59 to 61 agreed to.

Clause 62

Mrs TEHAN (Minister for Health) — I move:

40. Clause 62, line 26, after “the centre” insert “or at another place that is specified in the licence for the centre”.

41. Clause 62, line 29, omit “record” and insert “ensure that there is recorded”.

42. Clause 62, page 43, line 27, omit “record” and insert “ensure that there is recorded”.

Dr NAPTHINE (Portland) — These amendments have been brought forward as a result of the government’s consultations with a number of practitioners in the IVF area, such as Dr Andrew Spears, who expressed concern that the ordinary provisions would make the record-keeping task very difficult and onerous.

The amendments have picked up a number of the suggestions put forward by these practitioners to ease the administrative burden on the centres.

Amendments agreed to; amended clause agreed to; clause 63 agreed to.
INFERTILITY TREATMENT BILL

Thursday, 1 June 1995

Mrs TEHAN (Minister for Health) — I move:

43. Clause 64, line 22, omit “three” and insert “6”.
44. Clause 64, line 29, omit “three” and insert “6”.
45. Clause 64, line 34, omit “three” and insert “6”.

Amendments agreed to; amended clause agreed to.

Clause 65

Mrs TEHAN (Minister for Health) — I move:

46. Clause 65, line 8, omit “three” and insert “6”.
47. Clause 65, line 16, omit “three” and insert “6”.
48. Clause 65, line 20, omit “three” and insert “6”.

Amendments agreed to; amended clause agreed to.

Clause 66

Mrs TEHAN (Minister for Health) — I move:

49. Clause 66, lines 28 and 29, omit “7.3 and 7.4” and insert “64 and 65”.
50. Clause 66, line 32, after “of the” insert “donor treatment”.
51. Clause 66, page 47, line 8, omit “treatment”.

Amendments agreed to; amended clause agreed to; clauses 67 to 74 agreed to.

Clause 75

Mrs TEHAN (Minister for Health) — I move:

52. Clause 75, line 32, omit “make reasonable efforts to”.

Amendment agreed to; amended clause agreed to; clause 76 agreed to.

Clause 77

Mrs TEHAN (Minister for Health) — I move:

53. Clause 77, page 57, line 31, omit “make reasonable efforts to”.

Amendment agreed to; amended clause agreed to.

Clause 78

Mrs TEHAN (Minister for Health) — I move:

54. Clause 78, page 59, line 6, omit “make reasonable efforts to”.

Amendment agreed to; amended clause agreed to.

Mr SPRY (Bellarine) — I want to record in Hansard some excerpts from a very poignant submission from one of my constituents who is the child of a donor insemination procedure. It is addressed to a national body inquiring into the subject. The submission comments on a consultation document entitled ‘Long-term effects on families from assisted conception’.

The family father of this particular young lady, who was referred to earlier by the honourable member for Portland, and her natural mother are two of the most devoted parents you could possibly wish to meet. They have done a lot to assist their daughter through this fairly traumatic experience. She is delighted that the legislation is being introduced. It may not be able to help her but in the future it will assist people in predicaments similar to hers. She begins her submission by quoting from Marmion, a poem by Sir Walter Scott:

O what a tangled web we weave,
When first we practise to deceive!

As I read a couple of paragraphs of the submission exactly what she means will be clear. She is talking about what may be family secrets kept from children like her who perhaps do not have the sort of family mother and father she is lucky enough to have, who are not aware of their birth status for some time and to whom it may come as a profound shock. I will not read the whole submission, just a few poignant paragraphs:

We will all find, perhaps not so much now, but in years to come, that there are many very real and vital long-term effects on families from assisted conception. In particular, the dangers of badly recorded information, the instance of birth information being denied to children, and the effects from keeping secrets within the family.

I am relating the concern about these effects from my own experiences. I myself am an 18-year-old female, conceived through donor insemination. As an 18-year-old I now have the option to track down information about my conception and in all possibility my donor, or biological father. However, I expect nothing. I am told to expect nothing. More than likely there is very little information there, and if there is, there is no guarantee that I will be allowed access to it.

In the past, doctors considered the act of creating my life, and the lives of many other children of assisted
conception, as nothing more than an experiment. It was another new way of pushing back the frontiers of research and forging new paths. Alas, I am not a monkey, and I will not be treated like a guinea pig.

Along with the ignorance of the doctors, there was the unfortunate ignorance of the donors. They received no counselling and did not seem to realise that donating sperm is not like blood. It will likely result in creating a living, breathing human being! Yet, the doctors did promise them confidentiality. This process often leads me to wonder, 'What are the effects of this procedure on the donors?'. Do they think about it, or about the children they’ve created?

In Victoria it is compulsory for donors on the IVF program to receive counselling, but for just DI it is optional. I wonder how many take up the option? And where is the difference?

With the doctors’ promise of confidentiality to the donors comes the damming denial of information to the offspring. How can it be ethically possible to withhold vital medical and personal information from a human being? It is surely a birthright. Perhaps at present I have only mere curiosity about my donor, but what if it becomes something more, a deep yearning? I am told that originally doctors and IVF clinics were not obliged by law to keep records of the procedures. Yet how can doctors excuse themselves for keeping my rightful information in a tardy and careless fashion? I am a normal person with rights and desires, not just the results from a medical procedure.

I will leave it at that. The submission goes on for another page and a half. As I said, it is a very poignant document. I am pleased to have been able to relate it to the house tonight and for it to be recorded in Hansard. That is a very significant point for this young person. She will be delighted, I feel sure, that she has played some small part in contributing to better access to information for children like her in the future.

Mr THOMPSON (Sandringham) — I am delighted to have the opportunity of contributing briefly at somewhat short notice to the debate. Clause 79 is an outstanding provision in that it makes a long-term contribution to people who are born as a result of donor insemination and their right to have an understanding as to their genetic inheritance. I am interested in the contribution from the honourable member for Bellarine and his quote from Sir Walter Scott. I, too, have come across that couplet in this context.

In 1928 the first Adoption Act in Victoria precluded people having a full understanding of their inheritance, so that the denial of access to information is a comparatively recent innovation. Prior to recent reforms a New Zealand author said that the very act of adoption is the denial of the right of a child to his or her heritage or birthright, the most natural right a person has — to know his or her genetic inheritance.

In recent times the Marxist view has suggested that people are the product of their social environment or circumstances, but the research undertaken by social scientists over the past 20 years in particular has indicated that people have a genetic inheritance involving a maternal and paternal line that significantly influences their ultimate life circumstances. It contributes to their quantifiable intellectual performance, according to Piatelli and Palmarini, their mental health and a range of other characteristics. In fundamental terms individuals are determined by their genetic inheritance as well as their social environment.

The bill reflects a range of issues that must be considered in this debate. They include the rights of the social parents, the biological parents and the children born as a result of donor insemination or the contribution of an oocyte. This legislation goes a very long way towards assisting people who are born as a result of artificial birth procedures. However, I add the proviso that further work needs to be done, and perhaps there is capacity under the bill for work to be done because it provides for a central register of information. That work must be done for people born prior to 1984, or perhaps 1988 when the Infertility (Medical Procedures) Act came into operation. There have been many significant reforms as a result of the work done by many people in the reproductive biological field who have assisted in the births of people who would not otherwise have been brought into this world because their social parent or parents could not have children.

However, much of the reform work undertaken in this area has been undertaken in ignorance of the needs of the children. A researcher at the former Prince Henry’s Hospital some years ago regarded it as a great feature of his work that records containing the identities of natural parents were destroyed following a successful conception. I regard that as an absolute outrage. Some of the pioneers in this field did not have due regard and understanding for the needs of children who have a fundamental right to know their genetic inheritance.
INFERTILITY TREATMENT BILL

Thursday, 1 June 1995  ASSEMBLY 2113

In concluding my brief contribution to this debate I will refer to English literature and a number of authors throughout the ages who have had occasion to write about people who did not know or who in later life had the opportunity of finding out the identities of their natural parents.

In William Golding's novel, Free Fall, Sammy Mountjoy pondered throughout his life who was his natural father. Which revolution, which celebration did he represent as a result of his life and his existence? From time to time his mother said that his father was a clergyman, at other times a soldier — although sometimes Sammy Mountjoy felt his mother might have been past the officer stage at the time of his conception.

In his prelude to Under Western Eyes Joseph Conrad pointed out that Razumov looked upon all Russia as his heritage. He regarded himself not as a product of any people but as a child of Russia because he never had the opportunity of knowing who his natural parents were:

"Being nobody's child he feels rather more keenly than another would that he is Russian — or he is nothing."

Dickens' Bleak House recounts the story of Esther Summerson and Lady Dedlock and their many interactions. From a distance Mr Guppy observed that there was a definite biological connection between Lady Dedlock and her daughter, Esther Summerson, which was not apparent to others, but there was also an unmistakable genetic imprint and resemblance. There are a number of very fine descriptive passages in that book which articulate and define the human interaction and reaction that took place when the biological relationship between mother and daughter was discovered. In Dickens' Oliver Twist Oliver says after an embrace with his friend Rose that he gained and lost a mother, a father and sister in the one moment.

Finally there is the story of Heathcliff in Emily Bronte's Wuthering Heights, about whose background not much was known. The implication is that his uncertainty in life and his personality was a product of not knowing his genetic inheritance. To the extent that this clause provides the opportunity for people to have an understanding from the date of operation of this legislation who their biological parents are this bill represents an outstanding achievement and a move forward for the rights of those people born as a result of the donor insemination program.

I am delighted to have the opportunity to contribute to this clause. Many Victorians were born as a result of the experimentation by doctors involved in the reproductive technology process through the late 1970s and during the 1980s prior to the intervention of legislation. It is important that those people will have the opportunity of discovering their genetic heritage from a central register compiled from donor information records and parents who are aware of reproductive technology having been involved. Professor Louis Waller is very supportive of this approach. I raise that matter for the attention of the Minister for Health and plead with her that all that can be done will be done so that people have a clear understanding of their genetic inheritance.

Mrs ELLIOTT (Mooroolbark) — I want to make a brief contribution, and one that has been prepared at very short notice. What I have to say reinforces the comments from the honourable members for Bellarine and Sandringham, and I commend them on their literary contributions. My contribution will be a little less literary.

During my years as a teacher and tutor in English literature I had contact with many young people. One of the themes for VCE literature was often identity and the search for identity. In line with what the honourable members for Bellarine and Sandringham said — and I think there is agreement about this on both sides of the house — we all need to know who we are. Those people who seek to know their genetic inheritance do so not because they wish to gain anything material from their genetic forebears — their natural fathers in most cases — but because of that need to be able to say: if I have a big nose or large hands, or if I have a long toe it is because generations of my forebears have had those features and that gives me a root in history and gives me my place. That is important to all of us.

When medical science evolved the possibility of people being able to have children by donor insemination it was also a time that coincided with society having a free-thinking philosophy and for a time identity did not seem to be so terribly important. The result was that individuality reigned. The desires of the donor parent were considered to be paramount. I commend the minister and those who have helped her to devise this legislation. We live in an era of responsibility and accountability, an era which focuses on the needs of the child rather than the needs of adults who can make their own decisions. Therefore the requirement in clause 79 that:
INFERTILITY TREATMENT BILL

A person who is or may have been born as the result of a donor treatment procedure or who is the descendant of such a person may, on attaining the age of 18 years, apply to the authority for information —

to ascertain the identity of their natural father is extremely important. There is a recognition now that natural parents and adoptive or birth parents all have a stake in that child, but that child also has a stake in them. The considerations they can all make emotionally, psychologically, physically and genetically are important. Together they help to make the wholeness of that person. From talking to the students I taught over many years and from knowing many people and children, I know it is important to be able to ask, 'Who am I? Where do I stand in the whole scheme of things? Where is my place in life? Where is my place in this world, and why do I look the way I do? Why do I sometimes behave the way I do?'. The answer in many cases is because of genetic and behavioural inheritance. That is an extremely important and steadying influence in the lives of most young people. For that reason clause 79 is one of the most important clauses in this bill and I am pleased that it has the support of both sides of the house.

Clause agreed to.

Clauses 80 to 84 agreed to.

Clause 85

Mrs TEHAN (Minister for Health) — I move:

55. Clause 85, line 18, omit "the information" and insert "information which is of a medical or psychiatric nature".

56. Clause 85, line 22, omit "the information" and insert "that information".

Amendments agreed to; amended clause agreed to; clauses 86 to 118 agreed to.

Clause 119

Mrs TEHAN (Minister for Health) — I move:

57. Clause 119, lines 16 to 19, omit sub-clause (3).

Amendment agreed to; amended clause agreed to; clauses 120 and 121 agreed to.

Clause 122

Mrs TEHAN (Minister for Health) — I move:

58. Clause 122, page 92, after line 17, insert —

"(1) The Authority may give such information kept or obtained by it in the performance of its functions to the Committee as is reasonably required to enable the Committee to carry out its functions, other than information that will or may identify a person referred to in section 89(1(c) or (d) or a prescribed person.”.

The amendment to clause 122 is important. It provides an assurance that the new Infertility Treatment Authority being set up under the legislation will work in a complementary way with the Standing Review and Advisory Committee on Infertility that has been part of the implementation of this legislation and the legislation it replaces going back to 1984. I have already referred to the valuable contribution made by SRACI, not only in its preparatory work or its predecessor’s preparatory work to the introduction of this legislation but over the past 10 years in grappling with its advisory role to the minister.

The independent licensing authority will be responsible for the implementation of the legislation and will take over many of the roles that are currently performed by the Department of Health and Community Services and, to some degree, by the Standing Review and Advisory Committee on Infertility. We must therefore ensure that it is predominantly an operational authority and that it has wide powers.

We wish to maintain the consultative, reflective and advisory role of the review and advisory committee. The amendment requires that:

The Authority may give such information kept or obtained by it in the performance of its functions to the Committee as is reasonably required to enable the Committee to carry out its functions, other than information that will or may identify a person referred to in section 89(1(c) or (d) or a prescribed person.

In other words, the authority and the committee are to work in a complementary fashion. The committee will continue to reflect community perceptions and its views on and input into the legislation. The authority is to take into account the views put to it by the committee and to support the committee’s reflective role by making information available to it.

We anticipate that the operational arm of the authority will complement the work of the standing review and advisory committee in reflecting community views when it considers the various ethical, social and moral issues. Together they will provide a structure that will be at all times sensitive
to the important issues involved in the medical treatment of infertility while reflecting the community's views on those issues.

Amendment agreed to; amended clause agreed to; clauses 123 to 136 agreed to.

Clause 137

Mrs TEHAN (Minister for Health) — I move:

59. Clause 137, page 99, after line 8, insert —

“(3) The Minister must cause each report made by the Authority under sub-section (1) to be laid before each House of the Parliament before the expiration of the 14th sitting day of that House after the Minister receives the report.”.

The amendment requires the authority to lay before each house of Parliament each year an annual report on matters pertaining to its areas of responsibility. The matter was raised in a letter sent to me by Nicholas Tonti-Filippini; and according to the newspaper reports I read, it was also of concern to the Archbishop of Melbourne, the Reverend Sir Frank Little. They both saw the authority as an influential and important component of the treatment of and medical research on infertility. I took seriously their proposal that the authority be made answerable by being required to make available in annual reports to Parliament the information it has at its disposal, and that is the basis for the amendment.

Amendment agreed to; amended clause agreed to; clauses 138 to 140 agreed to.

Clause 141

Mrs TEHAN (Minister for Health) — I move:

60. Clause 141, line 15, omit “and” and insert “or”.

61. Clause 141, line 16, omit all words and expressions on this line and insert —

“(ii) the use of treatment procedures or related procedures to avoid genetic abnormalities or disease; and”.

Amendments agreed to; amended clause agreed to; clauses 142 to 169 agreed to.

Clause 170

Mrs TEHAN (Minister for Health) — I move:

62. Clause 170, after line 13, insert —

“( ) After section 10A(2) of the Status of Children Act 1974 insert —

“(3) In this Part —

“embryo” includes an embryo within the meaning of the Infertility Treatment Act 1995;

“ovum in the process of fertilisation” means an ovum at any stage of human development from the commencement of penetration of an ovum by sperm up to but not including syngamy;

“semen” includes sperm;

“syngamy” has the same meaning as in the Infertility Treatment Act 1995.”.

63. Clause 170, page 119, lines 4 to 24, omit sub-clauses (3) to (6) and insert —

“( ) In section 10D(1) of the Status of Children Act 1974, after “womb of a woman” insert “, or otherwise transferring to the body of a woman,”.

( ) After section 10D(1) of the Status of Children Act 1974 insert —

“(1A) A reference in this section to a procedure includes a reference to —

(a) the procedure of transferring to the body of a woman, otherwise than by artificial insemination —

(i) semen produced by a man other than her husband; or

(ii) semen produced by a man other than her husband and an ovum produced by her; and

(b) the procedure of transferring to the body of a woman an ovum in the process of fertilisation, if the ovum was produced by her and the process of fertilisation commenced outside her body from semen produced by a man other than her husband.”

( ) After section 10D(2)(b) of the Status of Children Act 1974 insert —

“(c) the husband shall be presumed, for all purposes, to have produced the semen —

(i) used in the procedure; or

(ii) used for the fertilisation of the ovum used in the procedure; or
(iii) used for the fertilisation of the ovum from which the embryo used in the procedure was derived —
and to be the father of any child born as a result of the pregnancy; and
(d) the man who produced the semen —
(i) used in the procedure; or
(ii) used for the fertilisation of the ovum used in the procedure; or
(iii) used for the fertilisation of the ovum from which the embryo used in the procedure was derived —
shall, for all purposes, be presumed not to have produced that semen and not to be the father of any child born as the result of the pregnancy.

() In section 10E(1) of the Status of Children Act 1974, after "womb of a woman" insert "or otherwise transferring to the body of a woman."

() After section 10E(1) of the Status of Children Act 1974 insert —
"(1A) A reference in this section to a procedure includes a reference to —
(a) the procedure of transferring to the body of a woman an ovum produced by another woman, including an ovum in the process of fertilisation, where that process commenced outside the body of the first-mentioned woman; and
(b) the procedure of transferring to the body of a woman an ovum produced by another woman and semen —
whether any semen transferred, or any semen which is used to fertilise the ovum (if any) is produced by the husband of the first-mentioned woman or by another man."

() In section 10E(2)(b) of the Status of Children Act 1974 after "ovum" insert "used in the procedure or".

() After section 10E(2) of the Status of Children Act 1974 insert —
"(e) where the semen used —
(i) in the procedure; or
(ii) for the fertilisation of the ovum used in the procedure —

was produced by the husband of the married woman, the husband shall be presumed, for all purposes, to be the father of any child born as a result of the pregnancy; and
(f) where the semen used —
(i) in the procedure; or
(ii) for the fertilisation of the ovum used in the procedure —

was produced by a man other than the husband of the married woman —
(iii) the husband shall be presumed, for all purposes, to have produced the semen and to be the father of any child born as a result of the pregnancy; and
(iv) the man who produced the semen shall be presumed, for all purposes, not to have produced that semen and not to be the father of any child born as a result of the pregnancy."

Amendment agreed to; amended clause agreed to.

Clause 171

Mrs TEHAN (Minister for Health) — I move:
64. Clause 171, line 31, omit "underline" and insert "under the".
65. Clause 171, page 120, line 3, omit "underline" and insert "under the".
66. Clause 171, page 121, line 24, after “activity” insert "which was lawfully commenced before the commencement of this section".

Amendments agreed to; amended clause agreed to; clauses 172 to 180 agreed to.

Clause 181

Mrs TEHAN (Minister for Health) — I move:
67. Clause 181, page 131, line 22, after “research” insert “and the spouse of such a person”.
68. Clause 181, page 132, line 35, omit “893” and insert “89(3)”. Amendments agreed to; amended clause agreed to; clauses 182 to 194 agreed to.

Clause 195

Mrs TEHAN (Minister for Health) — I move:
69. Clause 195, page 144, line 13, omit “refered” and insert “referred”. 

Amendment agreed to; amended clause agreed to.

Clause 196

Mrs TEHAN (Minister for Health) — I move:

70. Clause 196, line 3, after “exempt” insert “a person”.
71. Clause 196, line 6, after “regulations” insert “in respect of”.
72. Clause 196, line 8, omit paragraph (b).
73. Clause 196, line 11, omit “(d) a person in respect of”.
74. Clause 196, line 12, omit “(i) and insert “(c)”.
75. Clause 196, line 14, omit “(ii)” and insert “(d)”.
76. Clause 196, line 16, omit “or”.
77. Clause 196, lines 17 and 18, omit sub-paragraph (iii).

Dr NAPTHINE (Portland) — The amendments make it clear that clause 196 will relate purely to transitional matters. A number of people wrote to the minister and to me expressing their concern about wider issues of interpretation in relation to the powers under the clause that exempt persons from the rest of the act. The amendments have been examined carefully. The purpose of both the amendments and clause 196 relate to transitional matters arising from the change from the current act to the new act. That will help clarify the matters in the interpretation of the clause.

Amendments agreed to; amended clause agreed to; clauses 197 to 199 agreed to.

Reported to house with amendments.

Report adopted.

Third reading

The SPEAKER — Order! I am of the opinion that the third reading of this bill is required to be passed by an absolute majority. As there is not an absolute majority of the members of the house present, I ask the Clerk to ring the bells.

Bells rung.

Required number of members having assembled in chamber:

Motion agreed to by absolute majority.

Read third time.
leadership and introduced case-mix funding based on guidelines appropriate for Victoria.

Case mix has been an enormous success and ranks as one of greatest reforms in the financing of health in this state in four or five decades. We have moved away from the historical cost funding of hospitals to paying hospitals for the services they render and the patients they treat, so providing them with the incentives to give patients quality services. The results can be seen in the extra 100 000 patients being treated in Victorian hospitals this year.

Not only that, case-mix funding, having been used first in Victoria, is now being adopted by a Liberal government in South Australia and a Labor government in Queensland — and it is also being adopted in Hong Kong. The weekend newspapers carried advertisements for case-mix officers in New Zealand; and Carmen Lawrence, the federal health minister, is introducing case-mix-style funding in the contracts being negotiated in the private hospital system. They are all following the lead of the Minister for Health.

The honourable member for Albert Park talked about waiting lists, but again he failed to focus on the important issue, the category 1 waiting list. People on that list are waiting for urgent, pain-relieving surgery, and they are often in life-threatening situations. The figures are quite clear. Prior to the introduction of case-mix, 973 people were waiting for more than 30 days for urgent surgery; 12 months after the introduction of case-mix funding fewer than 30 people were waiting more than 30 days — and today the figure is fewer than 10. The government and Victoria’s public hospitals are delivering appropriate outcomes despite the lack of support from the federal Labor government, which is letting 2000 Victorians a week walk away from private health insurance. I will not turn to that important issue, but it is one the honourable member for Albert Park failed to address.

The minister should also be commended on her significant and caring reform of the mental health system. Everyone recognises the leadership she has provided in that area in only two and a half years as well as the massive and beneficial reforms she has overseen in the health system generally.

The minister is now tackling an issue that has bedevilled health ministers not only in this state but across the world — that is, how to reform and restructure a bricks-and-mortar and beds-based hospital system to suit the changing medical world, the changing needs of the community and changing demographics. Probably the best health initiative the former Labor government took was to relocate Prince Henry’s Hospital to Monash Medical Centre. However, it failed to address the metropolitan-wide issue.

The government has bitten the bullet and addressed the issue by putting planning boards in the metropolitan hospitals. I shall talk about why that reform is necessary and the part played by the bill in that reform.

Reform is necessary for two reasons. One is the demographic change taking place in Melbourne and Victoria, and the other is the changes in medical technology and the health services required by the people of this state. Thirty per cent of the state’s acute health activity occurs in just six teaching hospitals, all of which are within 5 kilometres of the central business district. Unfortunately most of the population of Melbourne no longer lives within 5 kilometres of the CBD. In 1994 there were 6.1 beds per 1000 people in the metropolitan area. In the outer metropolitan area there were 1.7 beds per 1000 people. Based on expected growth in the Cranbourne-Berwick, Epping and Werribee areas, there will be further demographic shifts into those outer suburbs and if no changes are made it is expected that in the year 2011 there will still be 6.1 beds per 1000 people in inner Melbourne but only 1.3 per 1000 in outer Melbourne.

We then come to the fundamental question of medical technology. Do we need that number of beds and are they being well utilised? Is putting resources into bricks and mortar and beds the best way to spend the health dollar or are there better ways to spend it in the prevention of disease and community-based services for older people? Those are the issues being addressed by the government and the planning board.

I commend to members the publication Victoria’s Health to 2050, which documents the changes taking place and identifies the big issues that we as a government must address — issues the honourable member for Albert Park failed even to acknowledge. He has failed to address what the health system should look like in the future. The publication states that the average length of stay in hospital after a heart attack in the 1950s was 6 weeks. In 1994 the average is somewhere between 3 and 7 days, which is significantly better.
HEALTH SERVICES (METROPOLITAN HOSPITALS) BILL

Thursday, 1 June 1995

Mr Sheehan - That's because they're dying!

Dr NAPTHINE - The honourable member for Northcote shows his complete and utter ignorance about health matters. The survival rate for heart attack patients has increased significantly. It is a pity the honourable member for Northcote has had a brain bypass because heart bypasses and a number of other forms of surgery have improved dramatically.

Appendectomy is another common surgical procedure. Twenty years ago it meant an average stay of 14 to 16 days in hospital. People are now discharged from hospital in 3 to 4 days on average because of better surgical techniques and laparoscopic surgery. The surgery is done more efficiently and is safer.

The other significant change is the increase in the use of day surgery. Currently about 40 per cent of all surgery done in Victoria is carried out as day surgery. The federal government estimates that that figure will be 60 per cent by the turn of the century. It is a question of what sort of bed-based services we need.

The interim report of the Metropolitan Hospitals Planning Board highlights the fact that the average length of stay in our hospitals in 1985-86 was 6.9 days and in 1993-94 was only 4.6 days. The number of hospital beds has fallen, yet we are treating 100,000 more people a year. It is quite clear that with reduced lengths of stay, improved medical technology and increased use of day surgery, counting the number of beds is a totally inappropriate way of measuring health services.

The opposition fails to understand that point. In 1980 we had 6.5 beds per 1000 people. In 1990 it was 5.1 beds per 1000 and the estimated requirement by the year 2000 will be 3.3 beds per 1000. We need fewer beds to deliver even more health services because we are using them better.

Those issues are being looked at not just in Victoria but across the world, and I suggest to the honourable members for Albert Park and Northcote that if they took an interest in health they might understand that.

I turn now to a document entitled London Health Care 2010 - Changing the future of services in the capital. That document is about the need to reform health services in London.

Honourable members interjecting.

The SPEAKER — Order! I have already called upon the honourable member for Albert Park to remain silent. I also call on the honourable member for Northcote and the honourable member for Pascoe Vale, who is interjecting from out of his place. I ask them to remain silent.

Dr NAPTHINE — The report was prepared by prominent and eminent economists who are well respected throughout the world. What they identified in London is similar to what we have identified in Victoria through the Metropolitan Hospitals Planning Board.

Melbourne has centralised hospital-based services with declining inner suburban populations and increasing populations in the outer suburbs are facing little or no health services. There is a need to shift the resources from the centralised services into the outer suburban areas. There is also a need to shift the resources from the acute bed-based services currently being under-utilised due to changes in technology to more community-based services. At page 73 the London report states:

Certain trends that are likely profoundly to affect the development of health services are clear. Together, they could bring important changes for the health care system by 2010, along the following broad lines:

1. Advances in information and health care technology and changes in public expectations and education will enable people to be much more actively involved in decisions affecting their wellbeing and health care.

2. A considerable proportion of the diagnostic and investigative work that currently takes place in outpatient and other acute hospital settings will be moved to primary and community health care settings or to patients' own homes.

3. Hospitals which centre on acute care are likely to become smaller, more specialised, and to focus on the care of people receiving complex, rare and/or expensive treatments and/or those suffering from trauma and multiple pathologies.

4. The majority of planned surgical interventions and much investigative work currently done in hospital will take place on a day basis.

5. As a result of these trends, arrangements for rehabilitation, convalescence, respite care and care of people who are dying will need to be made in appropriate care settings or in people's homes. If these are to be effective, good coordination within
and between health services and other agencies is imperative.

6. Certain specialities — for example psychiatry, dermatology and the clinical care of elderly people — may become almost entirely primary and community-based.

Indeed, their conclusion is that to suggest that something like 150 to 200 million pounds —

The SPEAKER — Order! The time being 10.00 p.m., in accordance with sessional orders it is my duty to interrupt the honourable member.

Sitting continued on motion of Mr GUDE (Minister for Industry and Employment).

Dr NAPTHINE (Portland) — The major conclusion from all that is that the change in demographics and, more importantly, in medical technologies and the health needs of those people will be better serviced by taking the resources out of centralised bed-based services and moving them into primary and community-based care. They are the sorts of issues, the big picture issues, that we must address in health. That is why the Agr editorial of 2 May said:

The Kennett government is to be congratulated for pursuing these reforms so vigorously, despite the fact that it is facing an election within 18 months. In the second half of its term, even the most avidly reformist government must be tempted to put up the shutters, and, as hospitals will close in some electorates, there will no doubt be some voter backlash. That the government is pressing ahead anyway is evidence of courage, and a commitment to beneficial reform.

Mr Thwaites interjected.

The SPEAKER — Order! This is the third occasion on which I have had to ask the honourable member for Albert Park to refrain from interjection.

An honourable member interjected.

The SPEAKER — Order! Turning his back on the Chair to interject is no excuse.

Dr NAPTHINE — The editorial concludes with these comments:

During the next three weeks community groups will no doubt voice these concerns, as well as others. They should be listened to. But on the whole the hospital reform package announced on Sunday looks to be the right direction for health care in this state.

This bill is an integral part of that reform package, which is very important for the redevelopment of health services in this state and this capital city. It provides a new focus for acute care and provides us with the basis on which we can reform our total health system. It is disappointing that the opposition — particularly the shadow spokesman for health, who I would have thought should have had a broader vision — did not address the broader vision and the need to change how our health services are delivered in light of the demographic and medical technological changes that I have highlighted, the changes throughout the world in terms of acute health service delivery and the ever-growing need for greater attention to preventive medicine, community-based services and after-care and pre-care services, so that we can concentrate acute hospital services on the occasions when they are needed. We want to provide high quality care across a whole continuum.

The honourable member for Albert Park has missed a unique opportunity to work with the government to ensure that these services are reformed, not just for this generation but for the next generation and generations to come. That is the vision this government has for the reform of health care services in this state and in metropolitan Melbourne.

Mrs TEHAN (Minister for Health) — As the honourable member for Portland has indicated, this was an opportunity to discuss some of the major policy developments affecting health in this state. With the opportunity given to us to do that, we have to a limited degree drawn on experiences from right around the world in terms of changes that are being observed and implemented in the provision of health services.

The contribution by the honourable member for Albert Park was nothing less than pathetic. I am sorry to have to say that, because it was an opportunity to have a policy debate to look at future trends for the delivery of health services in this state. This was the opportunity to have it.

The honourable member for Albert Park spent 2 hours in a diatribe that was reflective of a total failure to understand real policy trends, a failure to look at long-term directions, and a cheap, miserable, very thin veneer of politics, evidenced by the sorts of interjections that come across the table, such as: 'What hospitals are you going to close?'.

And during the next three weeks community groups will no doubt voice these concerns, as well as others. They should be listened to. But on the whole the hospital reform package announced on Sunday looks to be the right direction for health care in this state.
HEALTH SERVICES (METROPOLITAN HOSPITALS) BILL

Thursday, 1 June 1995

There is no doubt that the legislation will lead to considerable changes to the provision of health and hospital services in this state.

One of my main observations, from the literature I read at an international level on the opportunities I have to travel and see changes in health systems and to speak to the professional people who advise on developments in health services, is that there is certainly a need for hospital systems to respond to the remarkable medical techniques that have been developed over the past 20 or 30 years.

In his contribution to the debate, the honourable member for Malvern referred to changes in technology in operations on knees. He gave the colourful example of footballers who over the past 20 years have had surgery to their knees as a result of football injuries — the first one was out of football for life; later it was a year or two before the footballer could play again; and through advances in medical techniques and the skill of surgeons the injuries can now be effectively addressed and the players can often be back on the football field within weeks.

If the system does not respond to the advances in medical techniques, medical surgery, the changed expectations of the community and the demographic changes that cities and states are going through, it will not be able to keep up with the community's expectations.

Individual hospitals have responded remarkably to meeting the medical, pharmaceutical and surgical changes that we have experienced. I do not think there is any doubt that the medical services provided in public hospitals are as good as anywhere. For that I commend the boards of management of those individual agencies, their management and the professional staff they employ.

However, those 40 individual agencies across Melbourne that have grown up and provided excellent care and standards over the past 50 years are no longer the appropriate vehicle for providing services into the 21st century. As we have heard from speakers who understand the situation, we need a much broader continuum of care; we need many more community-based services; and we need much more to be able to rely on the pharmaceutical improvements and the procedures that can now be performed on a daily basis.

The old bricks-and-mortar beds mentality, which is obviously the only mentality opposition members understand because they have not reflected, considered or even read about the modern trend in the delivery of health services, is no longer an adequate base for a system to provide health services in this state. This legislation will give the government the opportunity to now go ahead and, with the cooperation of the hospitals, their managers and boards of management, to move to position the system as a whole to respond to those changes that I have outlined.

I congratulate and commend the hospitals in Melbourne that have responded so positively, first by preparing the document that was the basis for the change, which is entitled Victoria's Health to 2050, which drew on all the international literature and experience and took advantage of modern technology like Internet to draw up trends, forecasts and forward planning proposals to put into the document the types of future directions that our health system will inevitably follow.

This excellent document having been prepared, it became the base for setting up the Metropolitan Hospitals Planning Board to determine how our hospital system could meet the challenges set out in the 2050 document. I made it my business to speak to the boards of management, senior management and executive staff of all 40 agencies that provide acute care in Melbourne. Each of them accepted the need for change and also accepted that they had provided excellent services for the people of Melbourne from the 1930s to the 1980s, but that a different system and a different focus was needed as we take health services into the latter part of the 1990s and beyond the turn of the century. Each agency realised that if we were going to leave to our children an excellent standard of medical care similar to that which my generation enjoyed we needed to change the system as a whole.

Even though they voluntarily gave a huge amount of time, energy, experience and commitment to running their respective hospitals, they understood that if we are to meet the challenge of providing health services for the next generation we have to have a systemic change in the way health and hospital services are delivered. I acknowledge the work done by the committees of management over the past 50 years in their respective hospitals. I thank them for their foresight and clear vision when they recognised that things must change. Although it may affect them personally, nonetheless they have accepted that we have to change and that a broader network focus is the way in which health services will be provided into the future.
The second major document was the interim report of the Metropolitan Hospitals Planning Board, which was brought down on 30 April. People who have worked in health services for many years have commended that report as one of the best reports they have seen on the health system in Victoria. The report is based on a logical approach to the way health services are provided across the system with a focus on the demographic changes to the city and the ageing population in the city; and an acknowledgment that modern medical technology has markedly changed the way medical and health services should be provided.

I commend the boards of management who similarly accepted the interim report and who have seen it as a basis for change.

This is enabling legislation. It will allow the government to act on the final recommendations of the Metropolitan Hospitals Planning Board. We do not know what it will recommend, although two options have been spelt out in the interim report. However, we do know that the report will be a springboard for change and will ensure that we can provide health services as we move into the 21st century.

The honourable member for Portland quoted from a document entitled London Health Care 2010 prepared by a group of pre-eminent health specialists led by Professor Sir Bernard Tomlinson, who realised that there had to be a move from the centralised bed-based acute services in central London out into southern England to ensure that the broader population was able to receive services appropriate to its needs. The challenge for change in central London was daunting, especially when one thinks of the traditional hospitals like St Thomas’s, St Bartholomew’s and Guy’s Hospital, which have served London for hundreds of years and where generation after generation of doctors has been trained. Despite that remarkable medical tradition and the tremendous affinity and regard the people of England have for these outstanding institutions, change had to take place.

The same concept of change is being adopted all around the Western world. It would be totally inappropriate for Melbourne not to similarly examine the way health services should be based. As I said, this bill provides an excellent opportunity to debate the way health services should be fashioned, what direction should be taken and what contribution should be made by Parliament to ensure the delivery of improved health services.

However, the opposition did not take even one opportunity of addressing those matters of policy. It spoke only about cheap political matters and it was flexible with the facts. The health spokesperson for the opposition has a reputation for making broad exaggerated comments about matters affecting his own constituents.

We needed a good and vigorous debate on the things that matter in the health system but we did not get it. It is a disgrace. The opposition is in a policy hiatus that does not bode well for its future opportunities or chances for government.

In conclusion, this is one of the most important pieces of legislation that the house has seen. It is a precursor of the remarkable changes that will occur in the hospital system. It will give depth and strength to the system upon which we can build a service that will move into the 21st century. We have been well served by the system and the level of understanding of medical technology in the inner city and middle Melbourne areas for those who populated those areas from the 1950s to the 1970s.

It is time to change the system. We have to network so that we can have a continuum of care and a better interaction between the various components of the health system and can move those services and resources from the inner centralised area to the growth corridors of Berwick, Cranbourne, Mill Park and all the outer areas where young families need services.

If the next generation of network boards can provide into the 21st century the level of services that our current committees of management have provided, they will have taken on values that have been established over the past 50 years, built on them and adapted them. This will ensure that Melbourne has the health services that meet the needs of the next generation. This bill enables that change to take place. I commend it to the house.

The SPEAKER — Order! As a statement of intent has been made under section 85(5)(c) of the Constitution Act, I am of the opinion that this bill is required to be passed by an absolute majority. As there is not an absolute majority of the members of the house present, I ask the Clerk to ring the bells.

Bells rung.

Members having assembled in chamber:

Motion agreed to by absolute majority.
Read second time.

Committee

Clauses 1 to 5 agreed to.

Clause 6

Mrs TEHAN (Minister for Health) - I move:
1. Clause 6, line 8, omit "17A" and insert "17AA".
Amendment agreed to; amended clause agreed to; clauses 7 to 10 agreed to.

Clause 11

Mrs TEHAN (Minister for Health) - I move:
2. Clause 11, line 9, omit "157" and insert "157B".
3. Clause 11, line 10, omit "157 A" and insert "157C".
4. Clause 11, line 16, omit "17 A" and insert "17 AA".
Amendments agreed to; amended clause agreed to; clauses 12 and 13 agreed to.

Reported to house with amendments.

Third reading

Mrs TEHAN (Minister for Health) - I move:
That this bill be now read a third time.

House divided on motion:

Ayes, 57

Jenkins, Mr John, Mr
Kennett, Mr Kilgour, Mr
Leigh, Mr Lupton, Mr
McArthur, Mr McGill, Mrs
McGrath, Mr J.F.
McGrath, Mr W.D.
McLellan, Mr

Noes, 23

Andrianopoulos, Mr (Teller) Marple, Ms
Baker, Mr Micallef, Mr
Batchelor, Mr Pandazopoulos, Mr
Bracks, Mr Sandon, Mr
Carli, Mr (Teller) Seitz, Mr
Coghill, Dr Sercombe, Mr
Cunningham, Mr Sheehan, Mr
Dollis, Mr Thomson, Mr
Garbutt, Ms Thwaites, Mr
Haermeyer, Mr Vaughan, Dr
Leighton, Mr Wilson, Mrs
Loney, Mr

Motion agreed to by absolute majority.

Read third time.

Remaining stages

Passed remaining stages.

APPROPRIATION (INTERIM 1995-96) BILL

Second reading

Debate resumed from 26 May; motion of Mr STOCKDALE (Treasurer).

Mr THOMSON (Pascoe Vale) - In his speech the Treasurer makes many references to competition. On page 11 he refers to:

...open competition to drive efficiency gains in the delivery and operation of infrastructure and services.

He refers to a competitive environment, the introduction of competition, the competition principles agreement, fully competitive national markets and international competitiveness. If you take the government and the Treasurer at face value, you would say they believe in competition — but I suggest they believe in nothing of the sort. I direct
the attention of any member who wants to find out
the government’s real views on competition to an
article in the Age in 1989 about Alan Brown, headed
‘What Wonthaggi taught me’. He said the business
he established, Wonthaggi Cabinet and Joinery, was
successful, and he also said:

One reason the business succeeded was that there was
little competition. That became my recipe for success in
other businesses.

It certainly did, Mr Speaker! That is still the way the
honourable member operates. If you want proof that
the government is not fair dinkum about
competition, notwithstanding all the references to
competition in the Treasurer’s speech, all you have
to do is consider the conduct of the Minister for
Public Transport. Look at the standover tactics he
used in visiting Mrs Perry just two days after the
funeral of her husband. He told Mrs Perry that — —

Honourable members interjecting.

Mr THOMSON — In talking about the scope of
the debate on appropriation bills, Speaker Matthey
ruled in 1920 — —

Honourable members interjecting.

Mr THOMSON — Speakers’ rulings are
appropriate! Speaker Matthey said that the conduct
of officials can be discussed. The administration of
the estimates and appropriations is conducted first
of all by the minister and then by the officers of his
or her department. In that context it is appropriate
that the conduct of ministers be discussed. For that
reason it is important that things such as these are
discussed.

Honourable members interjecting.

The SPEAKER — Order! It is difficult enough for
the Chair to sort out what is going on without
conversations going on across the table — as well as
assorted background noises.

Mr THOMSON — Let me direct the attention of
the house to the fact that the capital outlays of the
Department of Transport for 1994-1995 are in excess
of $500 million, and the estimate for 1995-96 is
$556 million. The 1994-95 budget shows recurrent
outlays of $937 million, and the estimate for 1995-96
is $931 million. Outlays have increased, and they are
higher than they need to be due to the incompetence
of the Minister for Public Transport. I direct the
attention of the house to two areas in which
taxpayers are suffering as a result of bungling in the
transport industry. The conduct of the minister has
led to that bungling — —

The SPEAKER — Order! Let me make the
position of the Chair quite clear. The honourable
member for Pascoe Vale may criticise the Minister
for Public Transport in his official capacity in talking
about budget outlays and the other items he has
outlined in his preliminary statement, but reflections
on a minister’s personal behaviour are out of order.
If the member for Pascoe Vale continues to go down
that path, I will no longer hear him.

Mr THOMSON — Mr Speaker, I indicated very
clearly the path I was going down: this budget is
causing higher outlays in the public transport area
because of the bungling of the Minister for Public
Transport. You, Mr Speaker, have heard that many
times in the chamber and you cannot tell me it is out
of order.
Because of automatic ticketing some $500 000 a week is being lost to this state through chronic fare evasion. The government is lumbered with an automatic ticketing machine system that is not working. With the Onelink contract because of a decision made by the Minister for Public Transport the government has been locked into a situation where it has either to continue with Onelink or pay through the nose. It is now more than a year behind schedule and there are no ticketing machines on railway stations or on trams. There is not even a workable prototype. Taxpayers are being made to pay more than $500 000 a week because of continuing fare evasion. The project has gone off the rails because of the maladministration and bumbling by the Minister for Public Transport.

The safety of the public transport system has been compromised by the government cutting back public transport. It has removed guards from trains and has left most stations unstaffed. Recently at Surrey Hills railway station the train doors closed, trapping a pram carrying a woman's five-month-old baby. The train proceeded to leave the station dragging the pram carrying the baby along with it. The mother was not able to push the pram into the train or pull it back onto the platform. A disaster was narrowly averted on that occasion.

There have been incidents on the Broadmeadows railway line showing that government transport cuts have compromised safety. The administration of public transport in Victoria has been jeopardised because of cuts to transport funding referred to in the autumn economic statement.

Public transport in country areas is another disaster. The Auditor-General's report into the Kennett government's administration of public transport says the closure of country passenger rail services with their replacement by buses has resulted in a major decrease in patronage levels and revenue and that the government's decision to close six country passenger rail services has resulted in enormous hardship for many country Victorians and delivered no benefits.

The Auditor-General's report found that following the replacement of the train services the patronage levels decreased for all services now run by private coach operators, and on the Melbourne-Mildura Vinelander service patronage decreased from 56 000 in 1992-93 to 22 000 in 1994-95, a massive drop of more than 60 per cent. Patronage on the Traralgon and Bairnsdale service has also dropped. The Auditor-General was also critical of the failure of the Department of Transport to provide the financial details associated with the contracting out of rail services to private contractors. Once again the administration of the Department of Transport and the conduct of the minister is not up to scratch.

According to a number of leaked documents, the tram service is not safe, either, and urgent repairs are not being carried out. There is a general lack of maintenance of tram tracks in central Melbourne and some trams could skid out of control due to faulty wheels.

On all counts public transport and the administration of public transport in this state are being neglected. Where is the minister? He is off speaking to a grieving widow offering to purchase her property and giving her seven days to consider it.

**The Acting Speaker (Mr Richardson) —** Order! The honourable member has already heard the Speaker on the issue he is raising. I remind him of the remarks of the Speaker and inform him that it is my intention to maintain the position that has been established by the Speaker.

**Mr Haermeyer —** On a point of order, Mr Acting Speaker, I direct your attention to the fact that on a number of occasions during the appropriation debate members of the government have referred —

**The Acting Speaker —** Order! The honourable member for Yan Yean must identify the standing order to which he is referring and speak to that point of order.

**Mr Haermeyer —** Mr Acting Speaker, you are pulling up the member for Pascoe Vale on the question of relevance to the bill.

**The Acting Speaker —** Order! There is no point of order. I will hear the honourable member no longer.

**Mr Haermeyer — You’re a disgrace!**

**The Acting Speaker —** Order! The Chair will not tolerate reflections upon it. I warn the honourable member for Yan Yean.

**Mr Thomson —** What we have in this place is a situation where questions without notice to the Minister for Public Transport concerning his conduct have been ruled out of order, as have
adjournment motions concerning these matters. Opposition members are not allowed even to raise them in the appropriation debate. It is a calculated attempt to stifle free speech in the Parliament and to prevent ministers from being brought to account for their actions, which is one of the reasons why the standards of ministerial conduct in this place have fallen so low and why Victoria has sunk to the depths it has sunk to in recent times.

There is no ministerial accountability — anything goes in terms of ministerial conduct. The Minister for Public Transport can go ambulance chasing and visiting grieving widows while trying to take their assets from them and the government says that is not a matter of public importance. The administration of the state by its ministers is a matter of the greatest public importance, as are their standards of conduct!

The Minister for Public Transport has failed to observe the basic requirements of the Members of Parliament (Register of Interests) Act, which requires ministers to devote their time and energy to the carrying out of their ministerial duties and to not allow their public duty to conflict with private interests. Such breaches go unnoticed and unremarked and cannot be raised in this place because this is a government that ultimately has no ministerial standards whatsoever and no sense of probity or integrity. That is why the Premier is unconcerned by the conduct of the Minister for Public Transport when he should be ashamed about that conduct on the part of his colleague. The conduct ministers in this house have engaged in to bring ministerial standards of integrity and propriety to new low levels is a matter of concern to all Victorians.

That is why I raise this matter, Mr Acting Speaker, because I believe it is a matter of public interest. I know many Victorians believe it is a matter of public interest if there are to be proper standards of integrity and conduct by ministers of this state. It is because the Minister for Public Transport has not been paying proper attention to his ministerial responsibilities that we have the public transport chaos I outlined earlier in relation to automatic ticketing machines, country rail services and the like.

The recently amended register of members' interests shows that the Minister for Public Transport now includes The Country Gardener in Wonthaggi among his interests. Contrary to the impression he wanted to create, that he wanted to purchase the nursery on behalf of his family, in fact he was seeking to purchase it in his own interests.

The ACTING SPEAKER — Order! The honourable member knows that he is sorely testing the Chair. I believe he has had a fair run and I ask him to devote his attention to the appropriation bill.

Mr Haermeyer — Just like your speech.

The ACTING SPEAKER — Order! If the honourable member for Yan Yean is in any doubt about my position, he need speak only once more and Mr Speaker will be called. The honourable member for Pascoe Vale should observe the requirements of standing order 108 and refrain from personal attacks on other honourable members. He should direct his attention to the appropriation debate and government business arising from it.

Mr THOMSON — This budget shows the Kennett government for what it is — it has removed the high-jump bar from 6 feet to a foot and says, 'Look at us now, we have jumped the bar!'. The only yardstick is debt — that is the only thing the government worries about. It is not worried about education standards or retention rates. When the Minister for Education appeared before the Public Accounts and Estimates Committee he was asked for the standards and objectives on retention rates. The minister said, 'We don't have any'. The government has no objectives for retention rates for secondary students.

What are the objectives for public transport patronage? There are none. The government does not care about public transport, and services have declined. It has no objectives for public housing and the waiting lists have blown out. Members who have to deal with constituents in their electorate offices know that unless people have priority they cannot get any form of public housing because the waiting lists are indefinite. The yardsticks, standards and objectives of the government have been reduced.

Look at the standard of community services. In every area that standard is declining. Most of the time you cannot contact the Environment Protection Authority, the Office of Fair Trading and Business Affairs, the department of housing or the Department of Health and Community Services. The switchboards are jammed endlessly with people waiting on phone cues and the numbers are changed almost every three months, apparently to try to put people off the scent. People who try to ring the Office of Fair Trading and Business Affairs cannot
get through; ordinary Victorians cannot contact the office because the government has no objectives or standards for community services. As I said, the government has effectively reduced the high-jump bar from 6 feet to a foot and said, 'We have been able to jump it'.

Honourable members interjecting.

The ACTING SPEAKER — Order! I rebuke not the honourable member for Pascoe Vale, but the honourable members for Sunshine and Mornington. I ask them to remain silent to permit the honourable member for Pascoe Vale to continue his speech.

Mr THOMSON — This budget hits families hard with extra taxes and charges. The budget surplus is built essentially on increases in taxes and charges and the national economic recovery. When the Treasurer says we are not producing further debt for Victorians, I say to Victorians, 'Look out for the City Link project'. If the project goes sour and the tolls do not work because motorists are avoiding them, the Victorian taxpayers will pay for the debt of the private sector consortium. When the government says, 'We have the lid on debt', look out for the City Link project's debt!

The proposal by Grollos for the world's tallest building was announced on the same day as the autumn economic statement was delivered in this chamber. The Grollos must have taken public relations advice. Their world's tallest building was followed by the world's tallest story when the Treasurer claimed the budget to be in the best interests of ordinary Victorians. The budget surplus was built on the national economic recovery but, objectively, people are much worse off as a result of this government's actions. A constituent of mine said, 'They have given us back the $100; but if they gave us back $1000 we would still be worse off'. Many people have left Victoria and, as a result, the state's capacity to repay debt has been reduced. The government claims that the City Link project will mean there will be no traffic lights between Gippsland and Wodonga. But people don't stop at Wodonga — they keep going farther north!

This government does nothing for the northern and western suburbs, which have been treated with disdain in terms of capital works. That should be contrasted with the opposition policies set out in its financial management paper, which will ensure that Victorians have a budget surplus. The opposition's policy documents, such as the Victorian Charter, the paper on the former State Electricity Commission and Melbourne Access 2000 — the alternative to the City Link project — demonstrate that it is producing the policies that Victorians are looking for.

This budget is essentially a yellow-brick road; it is a yellow-covered document and at the end of the road stands the Wizard of Oz in the shape of the Treasurer who, as I recall, was essentially a fraud. Victorians are not better off; they are worse off as a result of the decisions this government made in its autumn economic statement and appropriation bills. The government's statement that it wants to create a community in which there are opportunities for all to realise their potential is untrue. Victorians are missing out in education, community services, public housing and transport, so they are not able to realise their potential.

It is regrettable that the budget has continued policies that have caused considerable damage to Victorians from a government that is increasingly shabby and is creating a shabby Victoria in which there are too many funny deals. Victorians feel intimidated and unable to express views opposing government actions. Victoria is becoming an unattractive state in which to live — it is a nasty, ugly state because of the kind of policies this government has introduced.

Mr Baker interjected.

Mr THOMSON — As the honourable member for Sunshine says, the government is mean spirited. Victoria is becoming a state where those who are already well off, those close to government, those with access to contracts, whether personal employment contracts or other contracts, and those who are consultants or who profit from the privatisation of government entities do well out of this government.

Ordinary people, the battlers, suffer under taxes and charges in the order of $1600 or $1700 a year per family that have been imposed by the government. In the past few days we have seen the government keeping at it through the introduction of additional charges on smokers and its proposals for tolls on the Tullamarine Freeway and South Eastern Arterial, and it is doing that after spending the 3-cents-a-litre Better Roads levy essentially in government electorates.

So of the $99 million the government has spent so far from the proceeds of the levy, $87 million or 88 per cent has been spent in Liberal and National Party electorates.
Honourable members interjecting.

The ACTING SPEAKER — Order! I ask the house to return to order.

Mr Baker interjected.

The ACTING SPEAKER — Order! I have already requested that the honourable member for Sunshine remain silent. I now instruct him to remain silent.

Mr THOMSON — It is characteristic of the government that, having doubled motor registration fees and having whacked on the 3-cent-a-litre levy, it spends the proceeds in coalition electorates and says to people in the area I represent, 'If you want to use the Tullamarine Freeway you will have to pay a toll.' It does not say that in respect of the Eastern Freeway or the Mornington Peninsula Freeway, but it says it to people in my area. That is characteristic of the government's contempt for ordinary Victorians and people in the northern and western suburbs, and characteristic of its poor priorities and the kinds of values it brings to government.

As a result of the government's approach we have a state in which those who are already well off are able to do better and those who are not well off are expected to pay more in taxes and charges, lose out on community services and ultimately still find themselves servicing a massive debt. There are now fewer Victorians because so many have simply given up in despair and headed north.

For those reasons I believe the autumn economic statement is a poor measure which does not address the real needs of Victorians — the sorts of issues the opposition is addressing in its financial management paper and the other policies it has produced.

Debate adjourned on motion of Mr JASPER (Murray Valley).

Debate adjourned until next day.

Remaining business postponed on motion of Mr GUDE (Minister for Industry and Employment).

Honourable members interjecting.

spoken with Mr Speaker and I believe he instructed that a comment I made last night be expunged from the record, a comment that at no stage did the honourable member for Springvale seek to have removed.

I am concerned on several bases. At page 1789 of Hansard of Tuesday, 15 November 1994 the Leader of the Opposition is reported as having said to another honourable member:

You should see a psychiatrist. Go and have another drink, you drunk. Have another drink!

Subsequently the Leader of the Opposition was requested to withdraw and in fact withdrew those comments. I am concerned that this morning the honourable member for Springvale sought to have words to the effect that I had accused him of being drunk removed from the record, when in fact he was drunk, and when last week he alleged that I was a racist.

Honourable members interjecting.

The ACTING SPEAKER (Mr Richardson) — Order! I point out to the house that the matter being raised by the honourable member for Mordialloc is very serious. I propose to allow him to continue to speak on this matter because it has already been alluded to in the house. Mr Speaker has addressed the issue and it is therefore proper that the honourable member for Mordialloc should be allowed to develop his point. However, I put it to him that he should come quickly to the matter and finalise it.

Mr Batchelor — On the point of order, Mr Acting Speaker — —

The ACTING SPEAKER — Order! The honourable member for Thomastown may address the point of order once the honourable member for Mordialloc has completed his remarks.

Mr LEIGH — My concern is that it seems acceptable that when a member is asked to withdraw words, those words are left in Hansard. If the honourable member for Springvale had last night demanded that I withdraw, I would have been forced to withdraw, as is the normal practice in this house.

The honourable member for Springvale alleged he did not hear the remark — obviously I cannot quote from Hansard — but raised two subsequent points of
order on comments I made other than where I made allegations about his behaviour. He was fully aware of what I said. There were many other members in the chamber who actually heard it and I believe the honourable member for Springvale heard it.

_Hansard_ should be the truest possible reflection of the day’s events in this Parliament. I am concerned that if comments alleging that another member has been drinking or other accusations against another member are removed from _Hansard_ a true record of the day’s events does not exist.

Although I understand your reasons, Mr Speaker, I am disappointed with your decision. It seems it is all right for some members to call others racists, suggest they sleep with pigs and not withdraw those comments, yet when the honourable member for Springvale complains about someone saying something to him it is perfectly acceptable to have it removed from the record.

Mr Speaker, last night you quoted Luke 6: 41. I read it today, and I also read Luke 6: 42, which goes a bit further. I think the comments you made were right and proper and I accept what you say.

It seems to me that if members are going to throw stones at other members in this chamber they should remember, Sir, that some members take offence at some of the things that are said. In my opinion the honourable member for Springvale seems quite capable of handling himself.

In my view I cannot see the difference: he alleged I am a racist, which I am not, yet I cannot allege against him that he was drinking when he made his assertions. And I have witnesses I can make available to the house.

Mr Speaker, in concluding my point of order, I say I am disappointed with your ruling. I understand that your interest must always be to protect the interests of all members of the house. I understand that, but as I said, I did read both Luke 6: 41 and 4: 2, and, again, I express my disappointment with your ruling.

**ADJOURNMENT**

Mr GUDGE (Minister for Industry and Employment) — I move:

That the house do now adjourn.

**Women: equal opportunity complaints**

Ms GARBUTT (Bundoora) — The matter I raise for the attention of the Minister responsible for Women’s Affairs concerns a matter of importance raised in the reports of the Equal Opportunity Commission over the past three years. I believe these to be so serious as to warrant a special investigation by the minister.

Since this minister’s government came to office there have been massive increases in the number of complaints received in several categories. The number of complaints of sexual harassment has risen by 160 per cent — from 131 in 1991-92 to 180 in the following year, 1992-93, and then to 430 in 1993-94.

I believe that the minister should instigate a special investigation into that increase. Similarly, in just two years there has been an increase in complaints on the grounds of pregnancy by 114 per cent. In 1991-92 this was not a separate ground. In 1992-93 there were 74 complaints and in 1993-94, there were 162 complaints. Overwhelmingly, the grounds for complaints regarding pregnancy were in the area of employment. Of 162 complaints in 1993-94 on the grounds of pregnancy, some 158 of them were in the area of employment — all but three.

The last report of the commission gives the example of Sandra, who told her boss that she was pregnant, that she intended to work until her seventh month and then to take 12 months leave and return to work. She was sacked. The boss told her that her position had been made redundant due to a downturn in trade. She got her job back, rightly received her maternity leave and was paid her lost wages.

It is absolutely appalling that a woman can be treated that way because she is pregnant, that anyone can be so unfairly denied her livelihood and sacked because she has become pregnant. In view of the growth of complaints I ask the minister to undertake a special investigation into the causes and possible steps to overcome this callous practice, which sees pregnant women discriminated against just like Cheryl Harris was today.

**Mental health: share care project**

Mrs McGILL (Oakleigh) — I raise a matter for the concern of the Minister for Health. In mid-April I attended a launch of the inner south-east GP share care project with the Alfred Monash Medical School.
Apart from meeting several interesting people I was impressed with the obvious enthusiasm shown by the GPs, mental health advocates and agencies, representatives of Eli-Lilley and representatives of the Department of Health and Community Services who were present.

I attended out of interest to understand the developing range of services being provided in the area of mental health because a large number of constituents have expressed concerns to me on a number of occasions. I ask the minister to explain to the house what the share care project is, who is involved, and what it offers to the community in mental health services.

**Women: workplace equality**

Ms MARPLE (Altona) - The issue I raise tonight is for the Minister responsible for Women's Affairs. It concerns the Auditor-General's special report no. 35, *Equality in the Workplace. Women in Management.* The steps the minister will take to overcome discrimination are highlighted in the report. It is an interesting report because it points to many of the actions that are preventing women from taking up and staying in management positions, especially in the public service.

I draw the attention of the minister and the house to the response provided by the Director of the Office of Women's Affairs to the overall audit as quoted on page 6 of the report:

... too many respondents believe that the dominant male culture of agencies is a barrier to the promotion of women to management positions.

Then on page 31, under the views expressed regarding attitudes, it says:

Under the new government, there seems to be a swing back to some of the beliefs that hindered career advancement for women in the past. This includes an expanded 'boys club', senior male managers brought in who are conservative and old fashioned, referring to women as 'girls' for example.

Then, in part 6 of the report entitled, 'The future', it looks at what should occur. It also represents an interesting study conducted by the University of Southern Queensland. It found that in 1994, unless there are dramatic changes in employment attitudes and practices, full managerial equity for women may not be achieved until the end of the next century.

I call on the minister to tell us what steps she will be taking to overcome discrimination, especially with regard to women role models. The actions of employers and managers taken towards women is a matter of some urgency, given the outrageous treatment so reminiscent of old boys attitudes that the Premier handed out today by the sacking of Cheryl Harris. How ironic it is that this report comes out on the day of her sacking! This woman has had her contract ripped up and people are asking: was she sacked because she was pregnant, or was she sacked because she is taking the government to court!

**Haemophilia: factor VIII**

Mr TANNER (Caulfield) — I direct a matter to the attention of the Minister for Health. By letter the Haemophilia Foundation Australia has advised me that a national working party report has been prepared for consideration at the health ministers meeting. It makes recommendations on how to overcome a shortage of factor VIII, which is essential in the treatment of haemophilia.

Some honourable members may not be aware that the treatment of haemophilia in recent years has progressed tremendously. So that haemophiliacs do not suffer the damage of their various bleeds there is now a correct treatment known as prophylactic or preventive treatment. Although there is an initial increase in cost in this prophylactic treatment as opposed to the former treatment of reacting to the bleeds, the reality is that the prevention of other injuries, joint damage and so on, means prophylactic treatment is very cost effective.

Factor VIII needs to be made available for the treatment of haemophiliacs. Haemophilia Foundation Australia wants to ensure that the state government, at this health ministers' meeting, will match the increased commonwealth government funding allocation that has recently been made available.

I am aware that tomorrow the Minister for Health is hosting a health ministers meeting in Melbourne. I suspect, therefore, that this working party report will be considered at that meeting, and I ask the Minister for Health to earnestly and empathically consider the wishes of the Haemophilia Foundation Australia to ensure that recombinant factor VIII is made available in sufficient quantity for the
treatment of haemophiliacs in future so that they can take advantage of the advances that have occurred in the treatment of haemophilia in recent years, most notably overseas, and only to a limited extent, as yet, in Australia.

**Employment: ministerial staff contracts**

Mr BRACKS (Williamstown) — The matter I raise for the attention of the Minister for Industry and Employment concerns the scrutiny of individual and collective employment agreements and particularly the minister’s refusal to act on the advice of the President of the Employee Relations Commission, not just once but twice.

In her 1993 annual report the commission president, Ms Susan Zeitz, sought scrutiny of individual employment agreements. That advice was repeated in October 1994. She said:

The absence of any provision for the independent scrutiny of agreements other than for the purpose of enforcement is a matter of concern. It is appropriate that there be a mechanism for scrutiny and the ability to interfere and vary such agreements where it is suggested that they breach minimum requirements or are otherwise unfair.

We could not have a better example of the consequences of not acting on that advice than the employment agreement of Ms Cheryl Harris, the former — —

Mr Cooper — On a point of order, Mr Speaker, I direct your attention to the fact that the honourable member for Altona concentrated very much on employment contracts in the public service, especially that of Ms Cheryl Harris. The honourable member for Williamstown is now also raising that matter. I draw to your attention the guidelines circulated by your predecessor concerning the adjournment debate, which say that a matter raised in the adjournment debate may not be again raised by another member. The honourable member for Williamstown is clearly in breach of those guidelines, and I ask you to rule him out of order.

Mr BRACKS — On the point of order, Mr Speaker, it is clearly a different matter, there is no doubt about that, and I have raised it with a different minister. I am referring to the two annual reports of the President of the Employee Relations Commission and the matter concerns the government’s failure to accept the recommendations about contract arrangements. It is a different matter, a different minister and a different administrative arrangement, and the example I will use will show that the minister’s policy in not adhering to that advice is incorrect policy and has led to this situation.

The SPEAKER — Order! I direct the attention of the house to the fact that the same subject cannot be raised time and again by a series of speakers. However, at this stage I do not uphold the point of order.

Mr BRACKS — Inconsistency and the lack of scrutiny of contracts has twice been raised by the President of the Employee Relations Commission for the attention of the Minister for Industry and Employment. Under individual agreements public servants have the right to only a four-week termination period. The contracts are not usually for longer than one, two or three years. The failure of the Minister for Business and Employment to scrutinise contracts has led to the case of the ministerial adviser to the former Minister for Finance, Ms Cheryl Harris.

Her contract contained conditions that are not consistent with the rest of the public sector or equivalent positions in the private sector. Her arrangements included a four-year contract and a full payout for the remainder of her contract if her employment was terminated, as well as a further payout of one year’s salary. That is not like every other public servant in this state who has only four weeks notice, which is the regime of this Premier and this Minister for Business and Employment.

Mr McArthur — On a point of order, Mr Speaker, the honourable member for Williamstown in referring to details of the employment contract is raising matters that are at present before the court.

The SPEAKER — Order! There is no point of order. I have checked on that and I understand the matter has not been listed.

**Drought: relief**

Mr JASPER (Murray Valley) — The matter I refer to the Minister for Agriculture concerns the continuing drought conditions in northern Victoria. I have raised this issue on a number of occasions in Parliament. Although there has been some rain in much of country Victoria conditions in the north of the state are still very difficult. Country Victorians are appreciative of the action taken by the Victorian...
government to assist primary producers in providing more than $30 million in assistance.

We have been operating under that system for many years, and I fail to comprehend why the honourable member for Thomastown is being allowed to carry on raising a matter that has already been raised by the honourable members for Williamstown, Altona and Greensborough.

Mr BATCHelor — On the point of order, Mr Speaker, I had hardly got into my contribution when the honourable member for Glen Waverley in some sense became a premature interjector in that I had no intention of canvassing issues previously canvassed about the employment of Cheryl Harris. I have sought to raise with the Premier matters about the general employment provisions of ministerial staff. I used that word in the plural and was not seeking to narrow it to any one individual. I will demonstrate that later in my contribution.

The SPEAKER — Order! If the honourable member for Thomastown sticks to that line, there is no point of order.

Mr BATCHelor — To ensure the effective and efficient employment of ministerial staff, I ask the Premier to investigate and report upon all the various individual employment contracts of ministerial staff who are currently employed or who have been employed at any stage since the last election. In particular, I ask the Premier to report in detail by individual cases those ministerial staff who as part of their employment package have or have had any of the following: a salary of $53,948 a year or more; the payment of personal health insurance; a motor vehicle; petrol and services and associated costs of that motor vehicle; car parking provided at their place of employment; a mobile telephone; hands-free equipment provided in the vehicle; a right to a termination payment exceeding two weeks salary; a fixed-term employment contract or contractual protection against termination in most circumstances; and the provision of a month-by-month account of the costs of the car and mobile telephone costs since their employment commenced.

Finally, I would like to know how many and which members of the ministerial staff have had new contracts or new clauses written and agreed to since 1 May 1995. I do that in relation to all ministerial staff currently employed and all those who have been employed since the election of this
government. We ask the Premier to investigate and report —

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

Aged care: Goulburn Valley

Mr KILGOUR (Shepparton) — The matter I direct to the attention of the Minister for Health concerns the necessary changes in geriatric care in the Goulburn Valley area particularly because the Mooroopna Hospital, formerly the Mooroopna Base Hospital before the base hospital was built in Shepparton, has been used for many years for geriatric care in a special psycho-geriatric unit built behind the hospital.

Unfortunately, the Mooroopna Hospital has reached its use-by date and will no longer be used for geriatric care. A proposal has been put forward to transfer some, if not most, of the patients from the hospital to a new 32-bed centre to be built at the Goulburn Valley Base Hospital for geriatric and psycho-geriatric patients. Others will be transferred to the private sector.

I ask the minister to examine whether the new 32-bed hostel unit could be built in conjunction with the $3 million psychiatric services unit to be built at Goulburn Valley Base Hospital to replace the Ambermere Hospital which has been used for many years for psychiatric services and is now becoming totally inadequate for the provision of care for the mentally ill.

In the Goulburn Valley we are looking forward to having the new $3 million centre built at the Goulburn Valley Base Hospital so all the ancillary services can link in with the centre. My constituents would like to see a saving of, I understand, many hundreds of thousands of dollars if the new 32-bed unit could be built at the same time as the psychiatric unit; the builders could build both units concurrently.

I know the Minister for Aged Care in another place is happy to go along with that suggestion for the use of the money allocated for the care of the aged. I ask the Minister for Health to investigate the possibility of psychiatric services officials getting together with the aged services people to organise the building of both units so we can save many dollars in the provision of psychiatric services.

Cabinet position

Mr THOMSON (Pascoe Vale) — I direct a matter to the attention of the Premier — that is, the announcement today of the Premier that he will not be filling the cabinet vacancy created by the departure of the honourable member for Polwarth.

Mr Tanner — On a point of order, Mr Speaker, I seek your guidance.

Mr Thomson interjected.

Mr Tanner — I assure the honourable member for Pascoe Vale I am not now trying to unfairly prevent him from speaking in this place. I understand it is the practice of this house that a member can raise only one issue during the adjournment debate.

The SPEAKER — Order! I am not aware that the honourable member is raising a second matter. He must state the problem and tell the minister to whom he directs his remarks what he wants done.

Mr THOMSON — I ask the Premier to reconsider his decision not to fill the vacancy and to reconsider his idea that he will share the duties of Minister for Finance between the Treasurer — who is already overloaded with state-owned enterprises and is unable to handle things like the Tabcorp float — and, apparently, the minister responsible for Workcover in the other place.

I am concerned about what that means for the administration of the government. The Premier has sent a statement to the community that he has a lack of confidence in the ability of any of the Liberal backbenchers to become members of cabinet, and he believes there is not the talent to be promoted. He cannot promote the honourable members for Tullamarine, Essendon, Oakleigh and Geelong because they have already given up those seats. A lot of those members have already been given their retirement packages through CPA trips. He cannot promote a member of the National Party — country Victoria cannot afford it! They would not want another minister! He cannot promote the honourable member for Doncaster, who has not had the courage to stand up for his convictions.

The SPEAKER — Order! I warn the honourable member that his reflection on the honourable member for Doncaster is unparliamentary. He should confine his remarks to other matters.
Mr THOMSON — He is clearly saying to the members pre-1988 that they will never be up to cabinet standard.

Mr W. D. McGrath — On a point of order, Mr Speaker, it is the usual practice of the house for an honourable member to raise factual matters — —

Honourable members interjecting.

Mr W. D. McGrath — The old argument put by the honourable member is purely hypothetical and I ask you — —

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

Mr THOMSON — Backbenchers have also expressed concern at being overlooked — —

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

Fishing: European carp

Mr TREASURE (Gippsland East) — The matter I direct to the attention of the Minister for Natural Resources concerns a noxious fish, cyprinus carpio, commonly known as European carp. The presence of this fish ranges across the wide area of Australian river systems, from the Yarra to the Tambo, from the Maribyrnong to the Murray, and from the Gippsland Lakes and associated lake systems to areas around Kerang.

It is also prevalent in South Australia and in the Darling River as far north as Queensland. It exists in a wide range of temperatures, is resistant to a high degree of salinity and can live in low oxygen tensions.

The problem I wish to raise with the minister is that no other native fish — and most of our native aquatic life — can exist in conditions under which this creature can survive. European carp feed by sucking up mud from the bottom of the lake or river systems and expelling it into the water, thereby making the water climate unsuitable for native wildlife.

I ask the minister to investigate ways in which this environmental disaster can be controlled or eliminated from our streams and lakes, and to undertake research that might come up with some sort of biological control.

Responses

Mrs TEHAN (Minister for Health) — The honourable member for Oakleigh raised with me a matter of the GP shared care project in her area of the world. As the honourable member said, this is a unique program that was launched a couple of weeks ago at the Alfred Hospital and I was delighted to see the member there.

It is an arrangement whereby general practitioners in the area work with the Inner South Community Mental Health Service and the Inner South-East Melbourne Division of General Practice to provide community-based services to people with mental illness.

In this part of Melbourne, the crowded inner east, there are a number of people who suffer from chronic mental illness: it is vitally important that there be good inter-arrangements between general practitioners, the hospital and the Community Mental Health Service to look after these people.

The project is headed by Professor Nik Keks, who works at the Alfred Hospital and heads my advisory committee on mental health services.

I was particularly pleased by the contribution of Dr Dick O’Brien, a long-term general practitioner in the St Kilda area, who spoke very positively of the program and of the need for general practitioners to be both trained and involved in the treatment of people with mental illness. I will quote briefly from his speech:

The launching of the G.P. psychiatric shared-care project is an auspicious event in the annals of Monash University Department of Psychological Medicine and of the Inner South-East Melbourne Division of General Practice. I would like to thank Minister Tehan for participating in the launching of the project and for representing the support which her government can be expected to give to this important and innovative enterprise.

For those people represented by the honourable member for Oakleigh in the inner south area of Melbourne, we have the very first program in which there is close cooperation between general practitioners, their patients and the Community Mental Health Service in the inner south of Melbourne. They hope that over the next two years the program will have over 50 patients and involve 20 or even more general practitioners.
It is the first time there has been a program of this sort in Melbourne. As it is something that we want to build on, it will be watched very carefully. I thank the honourable member for her interest in and support of the matter.

The honourable member for Caulfield raised with me a matter in which I know he has a very genuine interest because he has raised it on a number of previous occasions: the provision of factor VIII to haemophiliac sufferers. The honourable member quoted from a letter from the Haemophilia Foundation of Australia which represents haemophiliacs in this state.

He raised with me a number of issues with which the house would be familiar: one, that practitioners are now able to assist children especially in a preventative way by the early introduction of factor VIII into the bloodstream.

The more traditional manner of treating these predominantly young people was to make factor VIII available when they needed it in an acute setting. However, in recent times it has been found that with factor VIII being added to their bloodstreams as a preventive measure these young people can lead active, normal lives and not be sensitive to cuts, abrasions and concerns that may lead to bleeding, clotting and the problems that are part of being a haemophiliac.

While this has been an outstanding preventive approach and an illustration of the excellent medical research that we in this state are recipients of, it has drawn upon the supply of factor VIII which, until very recent times, was dependent upon naturally occurring plasma in human blood that had to be extracted by the Red Cross or the blood bank.

With the additional use of factor VIII for preventive purposes, Victoria has virtually reached the limits of plasma being taken from the usual numbers of people giving and donating blood.

Fortunately, to offset that natural restriction on the availability of factor VIII overseas technology has now enabled recombinant factor VIII to be made from synthetics and not be dependent upon the natural blood supply. However, that product is extremely expensive.

We are very cognisant of the legitimate request of the Haemophilia Association for recombinant factor VIII to be both available and able to be used in a preventative way. We are liaising with the commonwealth, which should be providing the high-cost drug.

I can assure the honourable member for Caulfield that already, shared with the commonwealth, we are finding sufficient funds to purchase this expensive recombinant factor VIII for the preventative treatment of young people. We must continue to negotiate with the commonwealth because it wants it to continue on a shared-care basis. We argue that it is a high-cost drug and it is the responsibility of the commonwealth for it to pay under section 100 of the Pharmaceutical Benefits Scheme.

I can assure the honourable member that we will continue on a shared basis as an interim measure, but tomorrow at the health ministers forum, and again at the health ministers council, on both of which occasions this matter is an agenda item, we will continue to press the commonwealth minister and tell her that she should be responsible under her high-cost drug program to fund the recombinant factor VIII and enable young haemophiliacs, through a preventive measure, to lead normal lives.

Finally, the honourable member for Shepparton raised with me the matter of the building together of a combined unit for aged care, which has already been approved for establishment at the Goulburn Valley Base Hospital in Shepparton, and a psychogeriatric unit, which similarly has been approved in principle under the Psychiatric Services Department of the Department of Health and Community Services.

Originally psychiatric services were provided out of Ambermere Hospital: an old former private hospital in Shepparton. I know that because many years ago I was a patient at that hospital and I remember it. At the time I had a severe problem and I was isolated from my family; they looked after me very well. However, it was a long time ago and it is past being used as a hospital.

The proposal is that the services be now amalgamated with or annexed to the Goulburn Valley Base Hospital and that a new psychogeriatric unit for aged people with a psychiatric disability be built. The proposal put by the honourable member for Shepparton is a very practical one and one we will certainly look at. He suggests that both the general aged unit and the psychogeriatric aged unit be built together, which would result in savings in the structure costs.
That makes sense. However, it will depend upon the availability of capital funding in the psychogeriatric area and then of course the recurrent funding. It is a sensible suggestion from the honourable member for Shepparton, and I commend him for it. I will look at the matter and get back to him.

Mr GUDE (Minister for Industry and Employment) — The honourable member for Williamstown raised yet again the hoary subject of reports of the Employee Relations Commission of Victoria regarding the lodging of contracts in the system. The honourable gentlemen has been answered on several occasions but does not seem to understand — I do not know whether he is a slow learner or just stupid. Collective agreements are lodged with the Employee Relations Commission. At that time they are scrutinised effectively by the Chief Commission Administration Officer.

Mr Brumby interjected.

Mr GUDE — If you are quiet for a while, Sonny, you might learn something. Agreements are scrutinised by the Chief Commission Administration Officer of the Employee Relations Commission. Under the act the Chief Commission Administration Officer is not required to take any action should that person find anything untoward in that contract. To that extent the remarks of the President of the Employee Relations Commission potentially have some validity, but the custom, practice and factual outcome is that on the rare occasions where there have been any potential discrepancies at all, contact has been made with the parties concerned and corrections made.

I have made the point in this house on a number of occasions that built into the act is a cheap jurisdiction, a no-cost process through the Industrial Magistrates Court should any individual feel aggrieved. It is a no-cost process because the individual can take the matter up with the inspectors of the Department of Business and Employment operated under the auspice of my colleague the Minister for Industry Services. If there is found to be a breach of contract in the circumstance, the matter will be taken by the department through the Magistrates Court at no cost to the individual.

The honourable gentlemen sought somehow or other to relate this to a potential problem with a former officer, I understand now a former employee of a minister of the Crown. Rather than this supporting a change to the act as suggested, the matter has found its way to the Magistrates Court where it ought to be if indeed there is any impropriety regarding the contract. The court will make its determination. The very things the government and I have said would happen under the act have happened. The protection that should be there is there.

The honourable gentlemen wants to have it both ways. The concern the president of the commission has raised is where a person is given a set of wages and conditions that are less than the minimum standards fixed under schedule 1 of the Employee Relations Act. Nobody is suggesting that there has been any underpayment at all regarding the matter the honourable member has referred to. The exact reverse has been alleged. There is no logic to the argument put by the honourable member.

In any event, I repeat what I have said in the house before. The government makes the policy regarding industrial relations and other matters in this state. That is then reflected in legislation enacted by the Parliament of Victoria on behalf of the people of Victoria. The responsibility of tribunals such as the Employee Relations Commission is to undertake and carry out the functions of the Employee Relations Act. From time to time where annual reports are part of the process, should the body making the report want to offer advice to government, it is appropriate that it does so. In this case advice has been given.

An honourable member interjected.

Mr GUDE — The honourable member by way of interjection indicates that it has been ignored. On the contrary, I advise the honourable gentleman it has not been ignored; it has been considered and rejected.

Mr W. D. McGrath (Minister for Agriculture) — The honourable member for Murray Valley is undoubtedly disappointed on behalf of his electorate that the federal government did not see fit to match the Victorian contribution to drought aid for farmers and small business people. It would be fair to say the same of many country members of Parliament who represent those districts that have been drought affected. Once the announcement was made, I asked the Premier to provide support by approaching the Prime Minister. A letter went from the Premier to the Prime Minister, including maps of what was recommended by the Rural Adjustment Scheme Advisory Committee to the federal government as the appropriate area for drought aid.
At this stage we have not had a response from the Prime Minister or any further advice from the office of the Minister for Primary Industries, Senator Collins. I hope they see fit to reconsider the situation, but I am a little doubtful.

All I can say to the honourable member is that he should encourage all farmers and small business people within his region who feel they can meet the eligibility criteria to apply to the Rural Finance Corporation. Even people in those areas not in the drought-defined area should apply. The areas that have been considered for federal government support look somewhat irrelevant in the overall picture of what we believe to be the drought-affected area in Victoria.

I encourage the honourable member to seek that those applications be directed to the RFC. If the eligibility criteria are met, farmers would be eligible for the 25 per cent interest subsidy on new borrowings and on existing debt to a maximum of $160,000.

There is some support. Farmers who have made applications to the RFC and who have received advice that their applications have been approved are receiving as much as $5400 in interest subsidy assistance. That is a significant amount of support from a state government to our farming community. Other small business people who apply will also be eligible to receive substantial assistance. The package provided by Victoria has many aspects, for example, a low interest rate for fertiliser purchases and some restructuring money. Unfortunately, at this stage the support coming from the federal government, some $6 million, is totally inadequate and cannot stand up to logic. The federal government may well put together all the statistical information, but commonsense and logic is certainly missing from the federal government's decision.

Mr KENNETT (Premier) — The first issue I will address was raised by the honourable member for Bundoora, who directed a question to the Minister responsible for Women's Affairs. I will answer that on her behalf. The honourable member referred to the growing number of acts of discrimination that have led to dismissal before the Equal Opportunity Board and dealt with in Equal Opportunity Act reports.

There is obviously concern in the community whenever such an incident arises, but the Equal Opportunity Board was set up to try to eliminate this problem through education and to adjudicate on those cases brought before it. Although any such incident is regretted, I do not think one should be at all surprised that more incidents are being reported; that is not because I think there are more acts of discrimination or sexual harassment taking place.

I refer the honourable member to the situation in the welfare area. Child abuse has been going on in our community for a long time. As honourable members know, the Parliament passed legislation recently on mandatory reporting. The result of that decision by Parliament is that the number of reports of child abuse has grown dramatically. The same is occurring in the administration of the Equal Opportunity Act.

If that means that people are now more comfortable about coming forward and lodging complaints and ultimately being protected by the act and society rather than continuing to be harassed physically or verbally, surely that is an improvement in terms of society as a whole. Obviously, we would like to work in a situation where harassment did not occur at all.

I do not believe the honourable member needs to be concerned, in the sense that there are more incidents being reported at present as the result of people feeling they will not be victimised for reporting acts of abuse or discrimination, which has been a fear in the past as it applied to many parts of life.

The honourable member finished in a typical way by referring to the fact that Ms Harris lost her employment because she was pregnant. The honourable member knows that is a dishonest comment. She knows that Ms Harris’s employment was terminated because she had been employed as a ministerial officer and under the Public Sector Management Act there is a specific provision for those employed on ministerial staff, as I explained this morning, to have their employment terminated if the minister changes or if the minister does not wish to keep the officer on, as there is an opportunity for an officer to retire with a minimum of two weeks notice. It works both ways.

It was done for obvious reasons. Appointments to political staff are political appointments. They require the minister and staff to be able to work together in the common interests of government and minister.

This was said this morning, but it is obvious that the honourable member was not interested in the explanation. Ms Harris was not sacked because of
her gender and she was not sacked or had her employment terminated because of her pregnancy. She was sacked because the minister has resigned and, as the incoming minister, I will terminate the employment of two people: the first is Ms Harris and the other is a temporary employee who has had her contract rolled over for a period.

An Honourable Member interjected.

Mr KENNETT — She has had the contract for some time but I do not know the exact period. I will keep on one female person to help with the secretarial management of work and an adviser because as the new Minister for Finance I have to catch up quickly.

It is wrong for the honourable member to try to draw a long bow. It was a political comment that belittles her so-called interest in this issue and it also indicates that she and her colleagues are obviously now trying to use Ms Harris in an unfortunate way when we would all be better to leave Ms Harris to fight her issues as she sees fit, in the right avenues — in this case initially it will be the Magistrates Court. If the honourable member is generally interested in equal opportunity and women’s affairs she would be better advised to leave this matter alone.

The honourable member for Altona also raised a matter for the Minister responsible for Women’s Affairs. I will answer that matter on behalf of the minister. It related to the Auditor-General’s report that was just tabled in which reference is made to women’s employment in the public service. I read the report earlier this week, but if you listened to the honourable member for Altona you would think it was a bad report. What she said did not reflect that the report indicated that the performance of the public service in Victoria in terms of the women in senior positions is substantially better than that in the private sector.

The honourable member has the report in front of her but if I remember correctly, approximately 24 per cent of senior positions were held by women in the Victorian public service and about 6 per cent in the private sector. We are approximately four times better than the private sector, but that is not a reflection of the community in terms of the balance of genders. I accept that, but I believe there has been a substantial advancement in the opportunities given to women. Women are now embarking upon careers and even if they take time out for child-bearing they are not discriminated against.

I make the point that the honourable member knows about the appointments that have been made recently, which have been made on merit and not on gender.

Ms Marple — They have always been made on merit!

Mr KENNETT — That is not the case. There are a number of people, particularly women, who have been appointed not because of merit but because of the view, ‘We must have more women in certain categories’. That has disadvantaged the individual woman, the interests of women and women’s advancement generally. It is not true to say that they have all been appointed on merit, but there has been a cultural change in Victoria and women are being recognised and appointed to some of the most senior positions on merit in a way that never happened under the former government.

I will take it one step further. During the past two and a half years I have spent a lot of time with my secretaries, who have contracts with me that can be terminated with four weeks notice, but I have not given as much time as I should have to what I call the second level. We have just put a broadbanding system into the public sector. We now have three bands for senior executive officers. Last week I met with all the officers in the second band, EO4, EO5 and EO6. We have started to introduce a system whereby I will meet them all over the next few months to try to identify those I have not met, to try to work out career structures for them, not only in the Victorian public service but in the Australian public service, because there is a dearth of good public servants around Australia.

Mr Batchelor — You have sacked too many of them!

Mr KENNETT — You are a silly little fellow, you really are!

There is a dearth of good public sector officers around the country because in part they are not receiving the training that assists them to progress up the tree. That training should not only be provided in Victoria and Australia — there should be an interchange with other public servants and the private sector — but also we are going to give these people the opportunity to travel overseas to benefit from some of the best training that exists anywhere in the world. Within the level of EO4, EO5 and EO6, about 15 per cent are women. I am trying to encourage these opportunities within the system. I
have said to the secretaries of departments that we must enter into a proper program of training. We have a state and a national responsibility to give women an opportunity of being recognised for senior positions in the state.

The honourable member for Altona also made a belittling comment about Ms Harris. Again, it reflects on the honourable member that she saw this as an opportunity to be used because I believe that Slater and Gordon have done enough damage to Ms Harris's claims without the Labor Party trying to use the issue for political reasons rather than trying to assist.

Ms Marple — Yours was a political action, though!

Mr KENNETT — No, it wasn't a political action.

Ms Marple interjected.

Mr KENNETT — You have made a silly comment because what you are doing is trying to use the plight of a woman who has lodged a claim — —

Ms Marple — Why did you take the job away from her?

Mr KENNETT — I have answered that very clearly. She was employed on a four-week — —

Ms Marple interjected.

The SPEAKER — Order! The honourable member for Altona is grossly out of order. I ask her to remain silent.

Mr KENNETT — I explained earlier why Ms Harris's employment was terminated. It was terminated in the same way as any ministerial officer's employment can be terminated with a change of minister. That happens under Labor and Liberal governments. It should not matter whether she is female or not, whether she is pregnant or is missing one leg; the reality is that the honourable member for Altona is being an opportunist and is trying use Ms Harris because she thinks it is a popular thing to do. The ALP is totally out of step with the Victorian public.

Ms Marple interjected.

Mr KENNETT — Again, you are absolutely wrong, and that is why none of the public respect you or the so-called opposition. If opposition members were to talk to the public at the moment, they would find that the overwhelming comment is that people cannot understand the actions of either of these adults or the way they have performed. That happens to be the truth. The opposition knows that, and would be asking the same questions that most women and men are asking out in the streets.

Ms Marple interjected.

Honourable members interjecting.

Mr KENNETT — You don't sack people — —

Ms Marple — That are in need of support.

Mr KENNETT — Goodness gracious! This is a very good example of how the honourable member for Altona and her colleagues are so out of touch with reality. Yes, the lady needs support and the lady has entered into negotiations and issued a claim, and she should be supported in that claim. Beyond that, it would be much better if the opposition did not try to politicise Ms Harris's position, in the same way as has been done by Slater and Gordon, in order to enable her to get on with the business she has started.

If the honourable member for Bundoora is correct in terms of her comments earlier about equal opportunity, then give this person the opportunity to pursue her course without using Labor's false tears to in any way try to make a political point.

The honourable member for Thomastown raised the issue of contracts. Again it was designed to try to score cheap political points as he was prepared to use Ms Harris and her contract. Because I am not aware if it is a correct contract, whether it has been accurately presented through the press or whether it is an accurate representation of the contract in whole or in part — let us assume for the moment that it could be — —

Mr Andrianopoulos interjected.

The SPEAKER — Order! the honourable member for Mill Park will remain silent.

Mr KENNETT — Go and have a shave! The only part of the contract, if it were to be correct, that causes me great concern is the length of the contract.

Mr Bracks interjected.
Mr KENNETT — Hang on a minute; don't get excited. The only part of the contract that causes me great concern is the length of the contract, including the pay-out, because it is all part of the same thing. Government guidelines clearly stipulated that there can be only two weeks termination pay, although a couple of ministers have made provision for four. I do not think that is a hanging offence because it happens to be the norm in the private sector, but it is overly long for a ministerial officer for two reasons. Firstly, when signed the contract goes beyond the term of this government. A contract should not bind a ministerial officer beyond the term of the existing government. If miracle upon miracle were to occur,unlikely as it were, and the people on the other side should form government, they should not be encumbered by people employed to do a political job on a minister's staff into that term or face a pay-out. Secondly, the quantum worries me.

Every other part of the contract is in order, including the medical allowance and the car. Those are the types of factors involved in many contracts these days where people determine contracts through total cost to employer. In all of the contracts I have entered into with senior management, including secretaries of the departments, I have given them the amount of money they are eligible to receive and have said to them you go away and package that as you see fit. Not all of them want it all in cash. Some want to have provision for a car, HBA allowances, paying of school fees and so on and they are able to enter into that in order to serve their interests best. In this day and age that is one of the only ways you will get good people to come and work for you — if you have contracts that set a total cost to employer and allow people within that range to then decide how they will run their contract.

Mr Batchelor interjected.

Mr KENNETT — What else is in the contract that we should be upset about? You have come in here today — —

Mr Batchelor interjected.

Mr KENNETT — Do you think it is wrong that someone arranged their affairs to have a car or HBA allowances? Do you think it is?

The SPEAKER — Order! This is not interrogation in a court of law. The honourable member for Thomastown will remain silent.

Mr KENNETT — He would not be there if it were. It shows how unrealistic you are. The ALP does not understand or appreciate that the modern world is all about contracts, particularly individual contracts providing flexibility. The one aspect of the contract that I did not agree with, given both my guidelines and the period for which it was signed — to the next election, and that was clearly wrong and in breach of the guidelines — was the term. The term includes the one year termination pay beyond the four years of the government.

I can only say to the honourable member for Thomastown that again, as part of what you have thought to be a concerted campaign, you have entered this place saying that this is getting a lot of publicity. Let us be quite honest about it, nothing that Labor has ever done — —

Ms Marple interjected.

Mr KENNETT — There is nothing the Labor Party has done in two and a half years that has ever caused this government any embarrassment. It has not worked! It has no policies. It does not stand for anything except its policy on drugs. I can only say that is why Labor is so totally out of touch with public aspirations and why this particular group of individuals have so little community support, and will continue to lose support. They have no policies. The opposition is not even decent with the person it is trying to help! It is not helping; it is using her like Slater and Gordon has — for its own personal gratification. Opposition members are trying to be bright white chargers.

Let me turn to perhaps one of the most telling contributions tonight from a close friend, the soon-to-be-departed honourable member for Pascoe Vale. He talked about the desire to have that 22nd cabinet minister. That question reflects a great deal. He firstly said that I have not appointed someone because I do not have confidence in anyone who is not in the cabinet. Firstly, that is wrong and the obvious size of the backbench and the talent on it answers that question immediately. Secondly, as part of my hoped-for plan to go to the next election without a change in ministry I also said that if that were not to be the case through accident or illness or the unexpected, such as what has happened this week, I would not replace the outgoing minister because it is my intention beyond the next election to reduce the size of the cabinet to 18.

Mr Brumby — Why did you increase it to 22 in the first place, Jeffrey?
Mr KENNETT — Johnny-Come-Lately here asks why I went to 22.

Mr Brumby — It is like a merry-go-round — you go round and round and round.

The SPEAKER — Order! The Chair has been very patient tonight. I ask the Leader of the Opposition to remain silent and the Premier to conclude his answer.

Mr KENNETT — I am just warming up. There are 22 in the cabinet because we realised that the job we were going to inherit on coming to government was so substantial by any measure, private or public, that we needed more people in the job to do the work. There is no other government that has had to face the challenges we were facing. There is no other previous government that had performed so badly. A reflection of the combination of that 22 is now clearly evident to the people of Victoria as a whole.

Mr Batchelor interjected.

Mr KENNETT — Pardon? You do not understand anything about leadership. You just think that to come in here as a backbencher when you should have been a woman — because obviously your seat was going to be represented by a woman — you come in with a great deal of experience and knowledge. Leadership is not about sitting there, chewing gum, without a policy, trying to misuse the tragedy of a woman who feels aggrieved. Leadership in government is about doing your own job and building a team around you, and sometimes when an issue develops ultimately having the courage to work with the team and address the problem. What we have done is put together one of the most magnificent sets of changes — and you have supported some of them tonight — —

Mr Batchelor interjected.

Mr KENNETT — It is not about stepping in. Again if the honourable member knew anything about leadership, either politically or in the private sector, he would understand that the leader is not involved in every detail but has a fairly good across-the-board involvement in the portfolio. We have done this collectively as a government, backed by a very strong and good back bench, and that has been reflected in the polls.

I don’t like talking about the polls because they ebb and flow, but by God, they have been flowing our way for a long time! If you think we have been doing so badly and everything is so bad, why aren’t you increasing your support? Why is your leader still unknown? Why is it that at the moment the polls show we are going to increase the number of seats at the next election? Why is it? Do you think you are convincing anyone?

Honourable members interjecting.

Mr KENNETT — They believe it so much that the big debate on our side is how the hell we are going to fit more in and where we are going to seat them. The honourable member for Pascoe Vale talks about my lack of confidence. There could be no greater demonstration of lack of confidence than when a member throws in the towel and deserts his own party here, having been quite clearly a failed member in this place, hopefully to go to Canberra, where without a doubt he will be a failed member!

Honourable members interjecting.

Mr KENNETT — I have to say he and his look-alike in another place, the Honourable David White, are both failures! You are appalling failures! I understand your leaving — why would you stay here where you have a leader without a vision, without a policy except more drugs, and a front bench that is made up of nondescripts? I do not blame you. You should have been leader! They are probably going to lose the best person in this house, either to this Parliament — you may not get into Canberra, but — —

Honourable members interjecting.

Mr KENNETT — George told me tonight he’s got the numbers! You talk to me about lack of confidence. What’s the alternative? The Labor Party in their safest seat are deciding between Bob Sercombe and George Seitz! That’s the new Labor Party for you — a fantastic group of people! Don’t have the honourable member for Pascoe Vale talk to us about confidence. You desert the ship. We understand it; we are sorry to see you go!

The SPEAKER — Order! I wonder if the Premier would now move to carp in Gippsland East?

Mr KENNETT — I do think tomorrow will be the honourable member for Pascoe Vale’s last day. I think the federal elections will be in August/September. We would like to wish you
well. We think Canberra deserves you. We look forward to reading about you regularly on the front pages of the papers, as we haven't read about you on the front pages of the papers for your entire parliamentary career. Have no fear, the gum-chewing Leader of the Opposition will still be here grinding away, driving his party backwards!

The honourable member for Gippsland East raised an important issue about carp and carp. What can I say? If you want an illustration of a species that are not loved, have no friends, are in fact a danger to society, live at the bottom of the river, they're in the mud ——

_Honourable members interjecting._

Mr KENNEDT — You only have to look at the other side, to get the direct comparison. The Leader of the Opposition, if you look at him, even now he's chewing. It's as though he's coming up for air the whole time! It's a sad reflection. Sadly the honourable member for Gippsland East's issue ——

Mr Batchelor interjected.

Mr KENNEDT — Tomorrow — you will have to remind me, Mr Speaker — I am still the Premier, and I will have ethnic affairs, finance — the Minister for Health is not going to be here, so I will be answering on behalf of health. And agriculture — I will be answering on behalf of the Minister for Agriculture and I will be doing Treasury as well; and there's one I've forgotten.

Mr Andrianopoulos interjected.

Mr KENNEDT — Here's another carp! This is one of the few carp with a moustache! Have a look on the Leader of the Opposition — munching, munching, crunchy, punchy. See his sense of humour!

The SPEAKER — Order! The carp.

Mr KENNEDT — The carp is a major problem. They tell me that you can eat carp. You're a fisherman, Mr Speaker. I think you can actually eat carp. If you catch it and hold it up by its tail and allow it to bleed for a period of time it becomes a safe eating proposition. But unfortunately we have so much carp and you can only eat so much in your lifetime. I will have this matter referred to the Minister for Natural Resources. I'm sorry he is not here tonight — perhaps he has gone fishing! He obviously has something better to do.

In the meantime, can I wish you, the house and the staff the best for the morning. We look forward to resuming this at 10 o'clock in morning and look forward in particular to question time. We trust the opposition will once again illustrate to all just how irrelevant you are to anyone. Good night.
seems that cowardice reigns supreme from this member. If you allow abuse by the member for Mordialloc to go without a response from yourself, it will indicate to Parliament that his despicable and untruthful, cowardly behaviour is the order of the day.

Clearly the standing of this Parliament should not be allowed to sink to the depths that the member for Mordialloc has attempted to take it. Parliament needs standards of behaviour that are much higher than what we saw from the member for Mordialloc today. I know the member has been difficult for you to deal with in the past. He has been a difficult member for you to control. It is often difficult for you to bring him back to order and to raise him to the standards of behaviour expected of members of the house. In that respect, he is a well-known recidivist. He continually seeks to abuse the standing orders.

We ask you to consider the matters that have been raised tonight: the way the forms of the house have been abused; the way the member for Mordialloc has used the house to perpetuate things that were not true; the way he has used the forms and procedures of the house to embarrass you after you had dealt with him and the matter in chambers; and the way he sought to come into the house when you were not here and deliberately raise the matter. It is an absolute abuse.

The SPEAKER — Order! Let me inform the house the reason why I took the action I did. I have been disturbed for some time about the way the adjournment debate has deteriorated, to the stage where the Chair knows that both sides of the house raise fraudulent and frivolous points of order and where the adjournment debate is used to attack members from one side to the other and back again.

I thought when the sessional orders were changed in this place it would allow backbenchers from both sides to have an opportunity to bring to the attention of ministers matters concerning their own electorates and matters for which they could get some credit. I looked forward to the way the opportunity was being created and that backbenchers would be given more time, and to a great extent backbenchers do that. However, over the past few weeks there has been a note of bitterness far beyond the cut and thrust of partisan politics, a bitterness that is bordering on personal attacks, and I have to say it has caused me a great deal of distress.

I have been turning over in my mind how I might correct this situation. The house should be aware that certain terms are offensive and I searched for various authorities. I found some in May and others in the House of Representatives handbook for speakers and rules of the house.

I did ask that certain words be expunged, and that was done on my authority. I might add, this was not the first time. I have exercised that authority for a member on the other side of the house. I am very conscious of the value of and how precious are the words of Hansard and how loath I am to alter it in this way, but I used my judgment in this case for the very best of motives in what I thought was an even-handed way. If I erred, I apologise to the house. At this stage, given what has happened and the point of order raised by the honourable member for Thomastown, I do not intend to take the matter any further.

Mr Kennett — On a point of order, Mr Speaker, I can understand your concern about the conduct of the house from time to time, and all of us retrospectively wish that our performances might have been different. However, this is the Parliament. It is not meant to be a kindergarten. Ultimately the record should be the record of the Parliament. I have been here long enough now to have seen what would in the coolness of day be described as some fairly outlandish comments. One goes back as far as a former Minister of Public Works, who made some extraordinary references to the Speaker of the house, which was almost precedent setting, given that the words had never been used before in this house or recorded. However, they were recorded and stand in Hansard to this day.

There are times when individual members have said things that they have regretted and at times you have ruled them out of order, but the record has remained intact. I do not know the words to which you are referring. I was not here when the incident happened and I pass no judgment on it. When the honourable member for Springvale asked me across the table about the matter raised by the honourable member for Mordialloc, I said I did not know the details of that. However, with due respect, Sir, I think it is terribly, terribly wrong for you to set a precedent whereby you decide retrospectively, after Hansard has been distributed, to actually change the Hansard record.

I say that because members of the press take on board the comments that appear in the whites. If you are then able to expunge comments from what
Mr Brumby interjected.

Mr Kennett — I have said it publicly. That is all you are getting; it’s not Christmas. I could have come into the house, Mr Speaker, and said, ‘I am sorry. Can you expunge it from the record once the proof has been issued?’ You would have said no because it was part of the debate. I urge you, Mr Speaker, to reconsider. Make your ruling prospective, not retrospective, because in future it could be used in ways that do not accord with the practices of any other Westminster Parliament.

Mr Micallef — On the point of order, Mr Speaker, as one of the members involved in the issue I will accept whatever you and the house decide. However, I ask that you decide the matter even-handedly. There are two issues in question tonight. One concerns having some words expunged, and the other concerns the forms of the house that are needed to get those words back into the record. I ask you, Mr Speaker, to consider those issues separately when making your decision. I think you know what I am talking about.

Earlier tonight during the presentation of the member for Pascoe Vale you, Mr Speaker, said a reflection had been made against the honourable member for Doncaster. This is the sort of issue that really gets us uptight. You cannot, for example, say the honourable member for Doncaster is not suitable to be a minister — you asked that that statement be withdrawn — but a statement about somebody being drunk at the bar goes unchallenged by the Chair.

When I got up to raise a point of order last night I did not have the opportunity to expand on it. I could have asked for the statement to be withdrawn. It is not as simple as the Premier said it is — that is, that you are asking for the record to be altered. If I had been able to develop the point of order and if you had seen it as part of the sequence of events, I may — I may not — have asked for the comment to be withdrawn because it was personally offensive. For the record, I said the statement was totally untrue and that it was totally abusive. It offended me very much and I took great offence at it.

Mr Speaker, if you want respect in this house you will have to stop people misusing the adjournment debate. I hear what the Premier says, but there are some guidelines that as members of Parliament we cannot go beyond because the only people who get some solace from our doing so are the press. If we continue to use the adjournment debate to attack
other members and respected members of the community for purely political reasons, which the Premier mentioned in his speech tonight, we will have double standards all round. Let's cut the nonsense. If you are going to lay down rules, that is fair enough — so long as we all know what the rules are. I will cop them just like anybody else. But I will not cop double standards, and I will not cop nonsense from anybody on either side of the house.

Mr McNamara — On the point of order, Mr Speaker, I support the comments made by the Premier and the member for Springvale. The Premier made the point that Hansard should be a clear record in the fullest sense of the proceedings and the debates in this chamber. As the Premier said, there have been similar instances in this house. Some have become part of the folklore of Parliament — and in one instance, some extreme comments were even addressed to the person in the chair.

The Premier is correct: everything recorded in this house should stand. From time to time members rightly raise objections or respond with statements of clarification to put the record straight. The member for Springvale made a clear reference to the incident during which the words you have referred to were said. If we are to be consistent, we would have to expunge the comments just made by the member for Springvale and the member for Mordialloc. Clearly, that would be a nonsense.

The issue goes back to Hansard. It would be meaningless to expunge the words that initially drew the comment. That is the reference point. The point made by the member for Springvale is that he, quite rightly, wanted to set the record straight. From time to time other members have had the opportunity to do so. The proceedings should stand as they have been recorded.

Mr Thomson — On the point of order, Mr Speaker, the Premier is telling the people who rely on the Daily Hansard that it should be protected from any subsequent changes by you as Speaker. As I understand it, members frequently are allowed to make adjustments to Daily Hansard.

Mr Kennett — But not to remove whole blocks!

Mr Thomson — Nevertheless, Mr Speaker, the fact remains that journalists and anyone else who relies on the Daily Hansard could be brought undone by precisely the set of circumstances to which the Premier has referred. It is already the case that the Daily Hansard does not provide a 100 per cent guarantee of protection. I do not think that is an overwhelming argument.

The second point is that there are a couple of precedents for a Speaker considering issues to do with standing order 108 later than the time at which the offensive remark was made. One such observation was made by Speaker Coghill in April 1991, and another was made by you in November 1992. On each occasion the matter was raised later, when a request was made to ask the offending member to withdraw. There are certainly precedents for dealing with issues not raised at the time.

I believe the honourable member for Springvale was simply not given the opportunity to raise the matter at the time it occurred. As I have done previously I wish to express concern about the various interpretations of standing order 108, especially my concern that standing order 108 is selectively applied. Earlier tonight the Premier was able to breach the standing order, in my view frequently, without being pulled up. Other members get pulled up for the language they use. There will continue to be a lot of disputation about standing order 108 and reflections on members unless the same code of conduct is applied to all members on both sides of the house. That is what lies at the core of the problem.

I also express concern that in raising this point of order the member for Mordialloc has endeavoured to re-raise the matters which were clearly in breach of standing order 108 and which you were concerned about when they were directed to your attention. I do not believe members ought to be able to do that. You, Sir, ought to enforce the provisions of standing order 108 to make sure that members are protected from those sorts of attacks.

Mr Perton — Members have to be robust. In the cut and thrust of debate we make comments that we would not make outside this place. During the course of the debate the Leader of the Opposition and the member for Pascoe Vale have made comments about me, yet outside this chamber we speak amiably and normally. The problem is, Mr Speaker, that in expunging the record you place yourself in the position of a judge.

I was present in the chamber during the altercation between the honourable member for Mordialloc and the honourable member for Springvale. From my observation the truth probably lay on the side of the
honourable member for Mordialloc; the allegations he was making were probably truer.

If you, Mr Speaker, seek to expunge certain words from Hansard you have an obligation and a duty to ascertain whether the statements made were true or false. You are heading into dangerous waters when you expunge words from the record, particularly without taking into account the fact that other members are in a position to support the version of history given by the honourable member for Mordialloc.

I am not a shrinking violent. I am happy to have members make reflections on me during the course of debate, and in general I have not been too quick to seek withdrawals. But the position in which you have been placed, having been asked to remove words that were probably true, is dangerous. You have an obligation to ask those members who are in a position to ascertain the truth about their opinions and their observations.

The SPEAKER — Order! I have listened carefully to the words of the Premier and other honourable members, and I will take them into consideration. If I had heard the words that were expunged — had there not been so much turmoil, noise, etc. — I would have asked that they be withdrawn absolutely. On my reading of the standing orders and May, whether an accusation is true or false is not to be taken into consideration. The words were withdrawn on two grounds. Firstly, they were unparliamentary; and secondly, they reflected personally on a member. For those reasons I took the action I did.

I will give consideration to the matters raised and the advice given by members on both sides of the house, and I shall come to a conclusion.

Motion agreed to.

House adjourned 12.52 a.m. (Friday)