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

SUPREME COURT JUDGES
Hon. HADDON STOREY (Minister for Tertiary Education and Training) presented, by command of His Excellency the Governor, an addendum to report of Supreme Court judges for 1993.

Laid on table.

PAPERS
Laid on table by Clerk:
Director of Public Prosecutions Office — Report, 1993-94.

PRIVATISATION: ELECTRICITY AND WATER
The PRESIDENT — Order! Before calling on the next motion by Mr Theophanous, I wish to inform the house that I have considered this motion in view of the rule of anticipation. In summary, the motion seeks to deal with issues arising from the restructuring of the water and electricity industries. The house has before it the Electricity Industry (Further Amendment) Bill and the Water Industry Bill, which are listed on the notice paper as government business, orders of the day, nos 1 and 2.

I have perused both bills. The Water Industry Bill is a major piece of reforming legislation. Its purpose is to reform the water industry, and its 212 clauses seek to bring about that objective. The Electricity Industry (Further Amendment) Bill is more restrictive, its purpose being to make provision for further restructuring of the electricity industry. The rule of anticipation, which is almost a common law rule of Parliaments — in other words, it is not specified in the standing orders as such — is defined at page 327 of the 21st edition of May's Parliamentary Practice:

A motion must not anticipate a matter already appointed for consideration by the house, whether it be a bill or an adjourned debate upon a motion.

Stated generally, the rule against anticipation (which applies to other proceedings as well as motions) is that a matter must not be anticipated if it is contained in a more effective form of proceeding than the proceeding by which it is sought to be anticipated ... A bill or other order of the day is more effective than a motion ...

On page 328 it states:

A matter already appointed for consideration by the house cannot be anticipated by a motion or an amendment.

That puts me in the position of doing one of two things. The first would be to rule the motion out of order to the extent that it deals with the water industry because of the nature of the Water Industry Bill, restricting debate to the electricity industry and recognising that debate on the two bills I have referred to will give the Leader of the Opposition considerable opportunity to deal with those matters.

The second would be to allow the Leader of the Opposition to proceed with his motion while seeking an undertaking from him that, during debate on those bills, he and his colleagues would not canvass any of the issues raised in the motion — and the same would apply to the house in general. The scenario would be similar to that adopted by the house in debating the budget papers as against the appropriation bills.

Based on precedent my inclination is to say that I am obliged to rule out the motion to the extent that it relates to the water industry. But I am not willing to frustrate debate on those matters just because the opportunity to do so will shortly arise. If the Leader of the Opposition is prepared to give an undertaking on behalf of his colleagues that the matters he raises in the motion will not be canvassed again except by way of headline, I am happy for the motion to proceed.
Hon. T. C. THEOPHANOUS (Jika Jika)(By leave) — Although the Electricity Industry (Further Amendment) Bill deals with the restructure of the industry, it specifically deals with the restructure of the generation side of electricity.

However, the motion before the house deals more particularly with the distribution component and the establishment of the five distribution companies under a management structure. It would not be my intention to canvass issues about the generation component; I would be happy to restrict myself to the distribution side of the debate. However, if a passing comment is made about aspects that may be dealt with in debates on other bills, I am happy to give an undertaking on behalf of the opposition that we will not recanvass those issues in coming debates on those bills.

Hon. M. A. BIRRELL (Minister for Conservation and Environment)(By leave) — I believe this motion is arguably and technically out of order because it anticipates debates on bills currently before the house. In the spirit of your comments earlier, Mr President, the government believes it is desirable that your second option may be taken up, that the opposition is allowed to move the motion and debate it with the degree of fullness that is consistent with your suggestion and that matters concerning electricity and water may be raised by the opposition on the basis that those matters may not be repeated in later debates. On this occasion it appears that the outcome is consistent with the aim of the standing orders.

Hon. T. C. THEOPHANOUS (Jika Jika)(By leave) — Following some discussions on this side of the house I can say that we are happy to give an undertaking to discuss only superficially, if at all, issues in respect of water and restrict ourselves to electricity issues. We give the further assurance that during the course of the debate on electricity we will not seek to mention issues that will be canvassed in the course of other debates. Therefore, I move:

That this house notes with grave concern that —

(a) the government has created five government-owned electricity distribution businesses and four water businesses, each with its own management structure and with significant duplication of functions;

(b) most of the new management positions arising from the restructure involve higher salaries and reduced responsibility;

(c) the government has had to reallocate debt away from electricity distribution and proposed generation companies to prepare them for privatisation and this, together with the costs of new managers, consultants and duplication, will cost Victorians billions of dollars; and

(d) the government is investigating sales to foreign interests of the new companies with little or no constraints on levels of foreign ownership;

and therefore calls on the government to — (i) provide information as to the full cost of the restructure of electricity, including the amount of debt forgiven for each of the new businesses, the salary packages of the top managers, and the cost of duplication of functions; and (ii) provide a guarantee that foreign interests will not be entitled to gain majority ownership of any publicly owned electricity or water company.

The government's restructure of the electricity industry has been described by the former chief executive officer of Electricity Services Victoria as chaotic. I would describe it as criminal. It is a crime against the people of Victoria; it is stealing the people's assets. It is no different from arranging for an armed robbery to take place. That it is being done under the cloak of restructure makes it no less a crime.

This government is seeking to sell the five distribution companies to foreign interests at bargain basement prices while keeping much of the debt in Victorian hands. That is a crime. When the Treasurer says that up to $4 billion in capitalised value will be lost to the federal government if privatisation proceeds, it is a crime. Spending $13 million on consultancies with perhaps five times the amount yet to come is another crime. When one management structure costing $5 million is replaced by five management structures costing between $40 million and $50 million a crime against the people of Victoria is being committed because their assets are being decimated by this government.

It is the people of Victoria who stand to lose as a consequence of the actions of this government and it is the mates of this government who stand to gain. That is what this is all about. In an article in the Sunday Age of 13 November Mr Shane Breheny, the Chief Executive Officer of Citipower, describes the break-up of the electricity industry as akin to chaos theory. The article states:

Its chief executive, Mr Shane Breheny, told an electricity industry conference in Sydney last week that residential customers would receive no dramatic
reductions in prices under the reforms except in the case of those set by government tariffs.

That man would know more about the electricity industry than anybody working in the Office of State Owned Enterprises in the Department of the Treasury. He was responsible for the restructure and the downsizing that took place without privatisation. The electricity industry was reduced in size from 22,500 people to fewer than 10,000 people and productivity savings of more than 60 per cent were made.

Hon. R. M. Hallam - What about the debt?

Hon. T. C. THEOPHANOUS - The debt has been reduced. As the minister well knows, the SECV services all its own debt and pays this government a very handsome dividend which is used to provide schools, hospitals and other services for Victorians. There is no issue of debt in the SECV. It is a con that this government has tried to perpetrate on the Victorian people.

Hon. R. M. Hallam interjected.

Hon. T. C. THEOPHANOUS - Because the minister is obviously hard of hearing I shall repeat it: there is no issue of debt in the SECV. The SECV services all its debt.

Hon. W. A. N. Hartigan - At what price?

Hon. T. C. THEOPHANOUS - At a much cheaper price than it will be serviced under your structure — and I will come to that. I have obtained documents from Moody's Investors Service, which has done some research on the topic.

Hon. W. A. N. Hartigan - Who are Moody's?

Hon. T. C. THEOPHANOUS - If you don't know, I will not explain. The documents show the credit risks and the increases in the cost of capital associated with privatisation. Don't ask inane and stupid questions when you don't know anything about it!

You could not ask for a more authoritative person than Mr Shane Breheny, the Chief Executive Officer of Citipower, who has been involved in the electricity industry for a long time. He is upfront about saying that there is no way electricity prices will fall following privatisation. The same article states:

... almost all of the directors of the distribution businesses had no electricity industry background. Their aim was to 'maximise their shareholder wealth, which is the government at this point'.

He is saying not only that there will be no price reductions but that almost all the directors who have been appointed by the government have no expertise in the electricity industry. They have no idea what electricity is all about. The article quotes Mr Breheny as saying:

The only thing that I know for certain is that I don't know how the market will evolve. I tend to agree with the mathematician in the film Jurassic Park, who kept saying that chaos theory will operate despite the best planning and modelling work.

That is what Mr Breheny had to say about the reforms being undertaken by the government.

Hon. Bill Forwood - In other words, nothing should be done?

Hon. T. C. THEOPHANOUS - We are not arguing that nothing should be done. I should repeat the figures. The industry's work force has fallen from 22,500 down to 9000 — that was on our initiative, not yours.

Hon. R. M. Hallam - Repeat the debt levels.

Hon. T. C. THEOPHANOUS - The debt level of the SEC was reduced over the same period. I will outline in point form the major features of the costs to Victorians of the restructuring actions of the government.

Hon. Bill Forwood - And then the benefits. You can't do it without the benefits.

Hon. T. C. THEOPHANOUS - Mr Breheny, the chief executive, says there will be no benefits.

Hon. Bill Forwood - Are you saying there will be no benefits?

Hon. T. C. THEOPHANOUS - Mr Breheny says it, not me. I will outline the costs of the restructuring in point form.

First, management salaries will be between $40 million and $50 million compared with $5 million under the previous distribution structure because of the expansion of the distribution businesses from one to five and the accompanying
expansion of the salary packages being offered. Second, $13 million has been spent on consultancies. Third, $50 million has been allocated to the state-owned enterprises budget, an increase of about $30 million. Fourth, based on the $17 million paid to consultancies for the sale of Tabcorp, we can expect to pay a further $85 million for the sale of the five distribution companies. As I have already pointed out, the Treasurer has said that up to $4 billion in tax compensation to the states could be lost.

Fifth, the new companies will be sold to foreign companies, with profits going overseas. Sixth, according to the chief executive of Electricity Services Victoria there will be no price reductions for domestic consumers. Seventh, demand management and fire mitigation programs are under threat. Eighth, up to $2.5 billion of debt associated with the various companies is to be forgiven by the government. The state will take over the debt to prepare those companies for privatisation. Ninth, country and city electricity prices will be different, with country prices undoubtedly higher than city prices. Tenth, the new electricity companies have already spent $10 million in advertising, with more to come.

They are some of the costs of the electricity restructure program, which run into billions of dollars. The next question that arises is how is it possible in that context to achieve the sorts of savings that are necessary to counteract the loss to the Victorian people? The answer is: it is impossible! Because of what is happening in the electricity industry, there is nothing more certain than that Victorians will be ripped off by the government.

On behalf of the opposition I make it clear that on coming to government we will address those issues and redress some of the problems. We will not simply lie down and allow the government to take the state’s biggest and most important asset from Victorians.

The opposition will not and cannot guarantee the jobs of all the managers and management teams that have been hitched to the Kennett gravy train. We are upfront in saying that the jobs of those people will be reviewed by an incoming Labor government, alongside a review of the structure. They can in no way be certain that they will retain their jobs. We also make it clear that we will protect consumers from excessive price increases, and we will guarantee service delivery standards.

Hon. Bill Forwood — How?

Hon. T.C. THEOPHANOUS — The structure we will put in place will involve retaining ownership of our assets, savings on consultancies, improved management structures and a range of other benefits the government has frittered away. The opposition also makes it clear that it will ensure the continuation of energy conservation, whether through introducing inverse tariffs to provide incentives to use less rather than more electricity or through tight environmental regulations and controls on advertising by electricity companies to make sure they do not try to promote the excessive use of electricity.

We make it clear that energy conservation will be an important priority for Labor, which will therefore affect the cash flow of any electricity distribution business that is privatised between now and the next election.

Hon. W.A.N. Hartigan — Is that a threat?

Hon. T.C. THEOPHANOUS — The consumer’s right to privacy and his right not to have his electricity cut off unfairly will be maintained by a Labor government. We make that perfectly clear and put it on the record.

Finally, we make it absolutely clear that a Labor government will maintain uniform tariffs so people in country areas will receive their electricity at the same price as their city counterparts. Any distribution companies that are privatised should bear in mind the opposition’s policies.

We also make it clear to the government that in any prospectus it puts out on the sale of these companies or in any negotiated settlement it has a responsibility to make clear to those companies the policy of the opposition on electricity. The opposition will not be put in the position of being blamed by the government for its own stupid actions.

We make it clear upfront that we are about protecting country Victorians and consumers and protecting the environment. The opposition will pursue those three aims vigorously, and any company or person wishing to purchase Victoria’s distribution businesses should be aware of our policy on those issues.

Let me just describe in some further detail exactly what the government proposes in relation to the new management structures for the electricity industry. At this point, I seek leave to incorporate in Hansard a table, which has been seen by the Chief
PRIVATISATION: ELECTRICITY AND WATER

Wednesday, 7 December 1994

Reporter of Hansard and by the minister and has been approved.

The PRESIDENT — Order! What does DB5 mean?

Hon. T. C. THEOPHANOUS — That stands for distribution business 5.

Hon. Bill Forwood interjected.

Hon. T. C. THEOPHANOUS — It is United Energy.

Leave granted; table as follows:
Hon. T. C. THEOPHANOUS — The table shows the extent of the management structure for one of the five proposed distribution companies, and I know this one is targeted for sale. I have examined each of the various levels referred to in the table and I am able to make the following conclusions based on advertisements for the various positions offered that have been published in the Age over the past few months.

First of all, this company has a chairman and directors. Those positions do not appear on this particular table but they are part of the structure. The original Electricity Services Victoria had one chairman and two directors. This company has one chairman and four directors.

The cost of directors’ fees is approximately $200 000. The chief executive officer of this company — originally that was Mr Peter Blades, but he was there for only a very short time; he was one of the high-flyers but then decided to jump ship — receives a salary —

Hon. R. M. Hallam — I think there is an unfortunate mixture of metaphors: if he was high flying he would not jump ship.

Hon. T. C. THEOPHANOUS — It has been confirmed by the Treasurer that the chief executive officer is on a package of approximately $225 000. The company secretary is on $135 000. That makes a total of $360 000. The average cost of each of the seven level 2 group managers and so on is $110 000, which amounts to $770 000. About 20 people at level 3 in this management structure earn an average of $90 000, which amounts to a further $1.8 million. About 20 level 4 managers earn $70 000 each, which amounts to $1.4 million.

I estimate that the total cost of the management structure is $4.5 million in salaries alone. One has to add to that figure the cost of the support staff and secretaries for these 50 managers, which is conservatively estimated at $2 million, and the oncosts, which amount to a further $2 million. That brings the total cost of the management structure for just one distribution business to between $8 million and $10 million.

Let us compare that cost with the situation in Electricity Services Victoria, which dealt with the whole distribution network and therefore incorporated all five management structures. As I said, it had one chairman and two directors at a cost of $120 000. It had a chief executive officer on $130 000, which is a bit different from $235 000. The secretary and internal audit officer were on approximately $100 000 each. About 9 level 2 people were on $80 000. Some 9 level 3 people were on $70 000, and approximately 20 level 4 people were on $60 000. The total cost of the management structure of Electricity Services Victoria was $3 million. Even when you add the cost of the support staff and the oncosts, the total cost of the management structure comes to somewhere between $4 million and $5 million.

A $5 million management structure has been replaced by five structures costing $8 million to $10 million each. In anybody’s language that represents a tenfold increase from $5 million to $50 million in the cost of management. Somehow, somebody has to pay for that, irrespective of which model is adopted or what efficiency structure is used. The people who have to pay for it are those who use electricity in this state. The efficiency gains in the electricity industry had largely already occurred under the previous government. All those gains will be frittered away by this government in the future.

Let us examine some of the advertisements that have appeared in the newspapers on this matter.

Hon. W. A. N. Hartigan — Why?

Hon. T. C. THEOPHANOUS — Because it is important to provide the evidence to support what I have just said.

Hon. W. A. N. Hutigan — Did anybody say you weren’t telling the truth? You’re just misinterpreting the facts. We didn’t say you were a liar, just an idiot!

The PRESIDENT — Order! Mr Hartigan might like to return to his seat.

Hon. W. A. N. Hartigan — I can’t hear him from there.

Hon. T. C. THEOPHANOUS — Mr President, I take exception to Mr Hartigan’s remarks.

Hon. W. A. N. HARTIGAN (Geelong) — I withdraw.

The PRESIDENT — Order! Mr Hartigan may remain in that seat as long as he does not interject.

Hon. T. C. THEOPHANOUS (Jika Jika) — I will provide examples of some of the matters I have
researched. Recently Ernst and Young placed newspaper advertisements for the appointment of a human resource manager, with a commercialisation emphasis, on $90 000 a year. It also sought another human resource manager with a privatisation emphasis. I do not know the difference between a commercialisation emphasis and a privatisation emphasis. It may relate to one distribution company that the government intends to sell and to another company that it does not intend to sell immediately. Who knows?

On 3 September Ernst and Young advertised for a company secretary. On 10 September the company advertised for a finance manager on $95 000 a year. On 24 September on behalf of a major corporate utility Ernst and Young advertised for marketing segment managers, product development managers, market analysis managers and promotions and advertising managers. In the majority of cases the advertisements indicate these are new appointments. This government has made the appointment of managers a huge growth industry in Victoria.

Hon. W. A. N. Hartigan — Don't think so!

Hon. T. C. THEOPHANOUS — One advertisement of Eastern Energy refers to the appointment of a manager, marketing-sales, who would have a front-line role, on $105 000 a year; a manager, customer service, who would have an interactive role, on $115 000; a manager, pricing and forecasting, who would have a visionary role, on $100 000; a manager, strategic marketing, on $105 000; and a manager, energy trading, on $115 000. This is all Eastern Energy.

Hon. R. M. Hallam — What is the point in all that?

Hon. T. C. THEOPHANOUS — The point is a very simple one. Not only is the government restructuring the electricity industry into five distribution companies but in so doing it is not even using the existing personnel of Electricity Services Victoria. It is going out and hiring a whole swag of managers from the public domain. I assume most of the existing management structure of ESV will be retained so we will have increased costs. Those have to be additional costs.

Hon. R. M. Hallam — Wrong!

Hon. T. C. THEOPHANOUS — The minister says, 'Wrong' but he, in typical fashion, has absolutely no idea about this industry. If he had any idea about anything he would at least recognise that if you put on extra people you actually have to pay them. Someone has to pay for them.

The minister has already put on additional people to assist with Workcover or whatever. Perhaps he puts them on and does not pay them, I don't know. When an advertisement says the salary for a position will be $105 000 I assume you actually have to pay that amount, and you were not paying that salary previously. That is the whole point.

Hon. R. M. Hallam — What were you paying before?

Hon. T. C. THEOPHANOUS — I have given you the figures, Minister.

Hon. R. M. Hallam — No, you haven't.

Hon. T. C. THEOPHANOUS — Previously the management structure of ESV cost $5 million and now we have five management structures costing between $40 million and $50 million in total. So the difference of approximately $40 million has to be found somewhere. I should have thought that a person in your position, Minister, would have understood that those moneys have to be found. If you had said to me, 'We will make savings somewhere else' I would have understood that argument; but it borders on the absurd to suggest it will not cost anything and shows your inanity.

While the government is embarking on the process of establishing the longest gravy train in history it is dispensing with all of the major environmental controls and policies that were put in place by the previous government. According to the last annual report of Electricity Services Victoria — and it is the last report — the demand management program has been dropped. That program was designed to ensure that consumers used less electricity. As part of that program some $7.2 million was paid to 880 business consumers throughout Victoria to increase energy efficiency. Electricity Services Victoria estimated that resulted in an energy saving of 120 gigawatt hours of electricity. That energy conservation program has now been dropped.

The opposition expresses concern not only because the program has been dropped but also because demand management is a critical issue for all of us in considering our responsibilities for greenhouse emissions and the environment. When a government establishes a structure for generation and
distribution businesses and then separates the various components of the distribution businesses from the generation business, only one dynamic remains for those distribution businesses — that is, to sell as much electricity as they can. The more electricity they can sell, the more profits they will make.

This is a different position from the structure of the former SECV. In that organisation management had to balance the increased consumption of electricity with capital investments that were required to build a new power station. In California and other states of America privately owned electricity companies which were virtually integrated and which owned their own generation systems, when faced with making huge capital investments that were required for a new power station, took a different corporate decision. They decided to install energy efficient appliances for next to nothing in the homes of consumers in order to reduce the load of electricity; they could then postpone the need to build another power station for some time. They did that because of the direct cost links between distribution and generation.

The new distribution system that has been established in Victoria is not linked in any way to generation and must stand alone. In standing alone, the only alternative a distribution company has is to sell as much electricity as it possibly can.

The Leader of the Government in this place, when questioned about greenhouse gas emissions, dismissed the concerns raised by me regarding the axing of energy conservation measures by the former State Electricity Commission. When I asked him whether he had been consulted about the axing of these measures his response was 'I was stumped'.

Hon. R. M. Hallam — You have made this big statement about demand management, what about the take-or-pay contract that you wrote under the Mission Energy deal?

Hon. T. C. THEOPHANOUS — I am happy to talk about the former Labor government's part in initiating a partnership with Mission Energy which was set at 40 per cent.

The PRESIDENT — Order! But you will not do so during this debate.

Hon. T. C. THEOPHANOUS — I will not discuss the generation issue except in passing. I look forward to the debate on the Electricity Industry (Further Amendment) Bill when I shall indicate the benefits that have accrued in relation to that action. It is clear the present structure will not protect consumers. The number of disconnections of electricity supply has recently increased. We know from the work being done by independent analysts such as Dr John Ernst that the process has failed to protect consumers. Dr Ernst wrote a report on this issue, which was reported in an article in the Age of 27 May. The article states:

Dr John Ernst, from the Victoria University of Technology, said legislation before Parliament failed to protect consumers or the environment. It threatened everything from water quality to black-outs and problems with consumer complaints.

Dr Ernst is the head of the university's department of social and urban policy. In relation to the British experience, the article states:

In contrast with British law, the legislation creating the Victorian Regulator-General 'gives little attention' to social regulation and ignores environmental regulation altogether.

These are the words of an independent commentator, who indicates what we are likely to get from the present restructure.

Mr Blades, the chief executive officer of United Energy, was reported in an article in the Business Age of 16 November stating:

The intense Mr Blades, who arrived mid-year, with no intention of earning his gold watch at United, will remain a consultant to United until the end of March, engaged largely in 'business process re-engineering' as the company prepares for possible sale.

Mr Blades' (nickname — what else — 'Razor') said yesterday he wanted the company in shape for sale any time after 1 April.

The PRESIDENT — Order! The chart you have just had incorporated in Hansard shows Mr Blades as the chief executive officer. Is he no longer in that position?

Hon. T. C. THEOPHANOUS — He was a short-lived chief executive officer. When the chart was prepared he was chief executive officer, but he will no longer be the chief executive officer of that company. He has been replaced by a Mr Noel Faulkner, who was general manager of Queensland's Capricornia Electricity. Perhaps
Mr Faulkner will know something about the electricity industry. The former appointee obviously knew nothing about the industry! I remind the minister that Mr Breheny, the chief executive officer of Electricity Services Victoria, indicated that most of the managers in the electricity industry did not know much about the industry.

Hon. R. M. Hallam — Ironically, it included him.

Hon. T. C. THEOPHANOUS — He is one of the chief executives of the five distribution companies and he is doing handsomely because he went from a salary package of $130 000 a year for controlling the whole of the SEC distribution network to a package of $225 000 a year for controlling one-fifth of the distribution network! He is doing very well, and has made the point that no-one will receive any price reductions out of this. Most of the people hired by the minister have had no history of involvement in the electricity industry.

I want to deal with the issue of foreign ownership, because the opposition is very concerned about the proposal, and the clear intention of the government to sell the distribution businesses almost entirely to foreign interests.

Hon. R. M. Hallam — Where did you get that from? How did you draw that conclusion?

Hon. T. C. THEOPHANOUS — I have investigated the controls over foreign ownership and what role the Foreign Investment Review Board will play. I have been informed that state government instrumentalities and businesses are not covered by the board. As a consequence of not being covered by the board the decision on foreign ownership does not rest with the board, despite the fact that on a number of occasions the Treasurer has said ‘It is not up to me, but the federal government’.

Hon. R. M. Hallam — Doesn’t that give you some clue whether these organisations are covered by the FIRB?

Hon. T. C. THEOPHANOUS — He either does not know the role of the board or is trying to deceive the Victorian people. The decision over foreign ownership is a state government decision, not a federal decision, unless the federal government uses its external affairs powers and seeks to change the guidelines that are currently in place.

There is no doubt that this government is talking with overseas investors about one-off purchases and industry sales of particular distribution companies.

Mr Hadley, head of international business for the UK power station owner, National Power, was in Australia for a two-day Australia-Britain trade and investment conference. He is reported in an article published in the Age of 28 January as saying that his organisation intended to become a major player in the Victorian electricity industry. He said it wanted to buy a substantial share — he used those words — of Victoria’s power generation and distribution businesses. In response, a spokesperson for Treasurer Stockdale is reported in the same article as saying that the government:

would look at any proposal to buy power plants, provided it fitted with the government’s objective ... of establishing a competitive market that establishes benefits to consumers.

It is clear that the government has no difficulty in looking at overseas sales.

Hon. W. A. N. Hartigan — There is no argument about that.

Hon. T. C. THEOPHANOUS — Then why did you argue before?

Hon. R. M. Hallam — Because you said our intention was to sell entirely to overseas investors. You made a great leap in logic.

Hon. W. A. N. Hartigan — Subject to no control!

Hon. R. M. Hallam — Absolutely!

Hon. T. C. THEOPHANOUS — I want to quote from an article by David Walker that appeared in the Age of Wednesday, 9 November because obviously the minister needs some convincing. The article, which is headed ‘Power firms may go overseas’ states:

Government sources said this week that a framework for the sell-off of the five companies might not contain limits on foreign ownership of individual businesses.

That is a government spokesperson as reported in the Age. The article goes on:

Such a decision would open the door for UK-based and US-based electricity companies to buy large chunks of
PRIVATISATION: ELECTRICITY AND WATER

Wednesday, 7 December 1994

Victoria's soon-to-be-privatised electricity distribution industry:

The looming decision is particularly important because it will set the likely pattern for other electricity, gas and water privatisations in years ahead.

This is what the Age had to say quoting a government spokesperson. Obviously the Treasurer does not talk to the Minister for Regional Development because the minister does not have any idea of what is going on. The article goes on to state:

The state Treasurer, Mr Stockdale, is understood to be open to liberal foreign ownership rules, partly because they will maximise the prices paid ...

Hon. R. M. Hallam — What!

Hon. W. A. N. Hartigan — He means small-l liberal.

Hon. T. C. THEOPHANOUS — Small-l liberal. An article that appeared in the Age of Thursday, 10 November states:

The Premier, Mr Kennett, yesterday confirmed that the government might allow foreign ownership of some of Victoria's soon to-be-privatised electricity distributors.

Hon. R. M. Hallam — Who said that?

Hon. T. C. THEOPHANOUS — The Premier. He obviously does not tell you either! The article goes on to state:

Mr Kennett said the government was not opposed to foreign ownership.

And, despite questioning:

He would not commit himself to a position on foreign ownership limits.

Hon. R. M. Hallam — Good.

Hon. T. C. THEOPHANOUS — We have established that the government is looking at sales to foreign interests and that those foreign interests are identified in relation to industry sales. The reason for that is quite obvious and clear: because the government does not believe that a float would work. The Treasurer went on record as having said that shortly after the Tabcorp float. He does not think it would work because he does not think that Victorians would take it up following the flop of the first Tabcorp float!

It is not for the opposition to be questioning this process and the way this chaos has been brought about in the electricity industry. There are no reports or studies that have been made available to the opposition or to anyone else that indicate that benefits will flow from these proposals. Nothing has been done! The modelling, if there is any, has been kept secret — we have been struggling to find out any information about any modelling that has occurred. However, I wish later to discuss some of the issues that were raised in a briefing I had with Dr Peter Troughton.

The Age editorial of 14 November also raises this issue and states in relation to electricity reforms:

What can still be questioned, however, is whether the decision to privatise makes any sense given Victoria's present delicate financial situation. In selling the SEC the Kennett government is shedding one of its own best sources of revenue. We have been assured that the money raised by selling the SEC will be used to retire state debt. What we do not know is whether the interest saved by doing this will outweigh the revenue forgone.

That is the vital issue. Financial commentators and other people are asking whether the benefits gained from selling outweigh the costs, whether the interest saved from any debt that might be repaid outweigh the revenue forgone. That question has not been answered by the government and it remains the subject of speculation.

Hon. W. A. N. Hartigan — What do you think?

Hon. T. C. THEOPHANOUS — One thing we know for certain is that the federal government would benefit from it because it would pick up the company tax and get an income stream. We also know that Victoria, according to the Treasurer, will lose up to $4 billion in capitalised value as a result of that.

But the government is also condemned by statements in the 1993-94 annual report of the former State Electricity Commission of Victoria. I think it is probably the last annual report, although there is a shell operating. The administrator's report is a damning indictment of the government. At page 6 of the report, the administrator states:

Allocation of assets, rights and obligations commenced in October 1993 (with effect from July 1993) ahead of
executives and staff being reassigned into one of the three new corporations in January 1994. In my opinion, the anticipation of these changes had a marked negative effect on the general quality of interest in commitment to and concentration on the general, and particular accounting processes of the SECV's affairs prior to my appointment, and in the run up to the January 1994 legal disaggregation.

He calls it a 'marked negative effect'. The report continues:

The difficulties caused to the administrator's function in overcoming these otherwise avoidable issues were costly and time consuming. I find it disappointing to have to report along these lines and I regret that it is necessary to reflect on the quality and professionalism which became manifest ... during the first half of the financial year.

That is what happened to morale in the SECV as a result of the actions taken by the government. It became so bad that the administrator found it necessary to say in the annual report that he thought those things were otherwise avoidable and that the changes had had a 'marked negative effect' on the SECV. They are not my words; they are contained in the SECV annual report.

The five distribution companies have been established on the basis of re-allocating debt. The government provided a table showing the breakdown of the allocation of debt, which was published in the Australian Financial Review of 30 September.

Hon. R. M. Hallam — And it is still being finetuned.

Hon. T. C. THEOPHANOUS — The table shows the sales of each of the distribution companies, the assets of each and the number of employees and customers. The government allocated CitiPower $500 million of sales and $700 million of assets; United Energy, $670 million of sales and $525 million of assets; Powercor Australia, $700 million of sales and $1200 million of assets; Solaris Power, $350 million of sales and $450 million of assets; and Eastern Energy, $550 million of sales and $1600 million of assets.

It is important to put those figures on the record. The asset bases of the country-based distribution companies, Powercor Australia and Eastern Energy, are almost double — in some cases, more than double — the asset bases of the city-based distribution companies.

Hon. R. M. Hallam — Are you surprised by that?

Hon. T. C. THEOPHANOUS — No, I am not surprised by that. The allocation of debt to each of those companies would normally be higher for those with large asset bases than it would be for the others; but the sales figures for the five distribution companies do not vary to the same extent. How can the country-based companies have higher debt levels — given their higher asset bases — and still be expected to provide electricity for anything like the price for which it is provided in the city? The answer is: they cannot. Some of the debt had to be removed from some of those companies to make them viable, which is precisely what the government did.

In a briefing I had with members of the state-owned enterprises unit, which was attended by Peter Troughton, one of the minister's advisers and others, it was made clear to me that a considerable amount of the debt had been shifted from the distribution and generation companies. The debt-to-equity ratio had been changed so that they would be capable of being privatised, based on their individual cash flows.

After considerable questioning on the issue Peter Troughton finally admitted that an amount of $2.5 billion had been or is to be shifted from the distribution and generation companies and held either in the shell company — that is, the SECV shell — or the transmission company. That $2.5 billion of debt will effectively go to the part the government holds.

Hon. R. M. Hallam — Actually it might be more than that.

Hon. C. A. Strong — The question is: is that reasonable?

Hon. T. C. THEOPHANOUS — That is in addition to the debt that has already been allocated to the transmission business.

Hon. W. A. N. Hartigan — In addition? How much debt was allocated to the transmission business?

Hon. T. C. THEOPHANOUS — From memory, about $2.5 billion.
Hon. W. A. N. Hartigan — Now we have about $5 billion.

Hon. T. C. THEOPHANOUS — In the order of $9 billion of debt will stay in state hands. That is what Peter Troughton told me at that briefing when I asked him how the $2.5 billion will be serviced.

Hon. R. M. Hallam — I hope this is an accurate record.

Hon. T. C. THEOPHANOUS — There were other people at that briefing, including people from the opposition. I must say I do not think the minister’s adviser was all that thrilled when he gave me the figure.

Hon. W. A. N. Hartigan — If it were accurate, you should have been given it.

Hon. T. C. THEOPHANOUS — I agree that people should be prepared to give figures, but it was like drawing teeth. I pursued Dr Troughton on the question of how the additional debt had been allocated. One must understand that that is reallocated debt; it is effectively going from the distribution and generation companies to the state. In the end, Dr Troughton’s response was that he could see no way of servicing that debt other than by imposing a levy on electricity consumers. So we will not only have a structure under which the pool company indicates the cost of transmission, factoring that into the price of any electricity but above and beyond that a levy to pay for the debt that is being put back onto the government.

That is being done to prepare the businesses for sale in ways that make them attractive to the private sector. What do the people of Victoria get out of this? A levy to pay for the debt and an extra $2.5 billion lumped onto them; and they lose the income stream they currently received from the SECV. Effectively, they lose the dividend.

Hon. R. M. Hallam — Why did you conveniently omit the value of the sale?

Hon. T. C. THEOPHANOUS — We will see how much you get for them.

Hon. R. M. Hallam — Why did you leave that out of the equation?

Hon. T. C. THEOPHANOUS — I am happy to put on the record the fact that even if in selling those businesses the government gains the ability to repay the $2.5 billion it has allocated in debt, the overall result will be that the five distribution companies will have been sold for nothing. That is because of the debt you have already reallocated from those businesses. That is the reality of what is happening!

Hon. R. M. Hallam — You are miraculous! Talk about innovative accounting!

Hon. T. C. THEOPHANOUS — The minister does not like this but the fact is that it is not just I who is saying these things. Studies have been done into the restructure of electricity and nearly all of them show that there is no margin to make money. It was rather interesting because during the course of the discussion with Dr Troughton I put the question to him: ‘Peter, how do you justify’ — —

Hon. T. C. THEOPHANOUS — The question to him: ‘Peter, how do you justify’ — —

An Honourable Member — On first name terms now, are we?

Hon. T. C. THEOPHANOUS — ‘How do you justify, Dr Troughton that in a paper that you delivered sometime ago you put the value of the SECV at somewhere between $17 billion and $22 billion, whereas the SECV itself put its own value at around $12 billion with a debt of $9 billion, making a net worth of about $3 billion?’ He said ‘I am not sure I actually used those figures’. When I pointed out to him that he did at a conference and that it is in the paper he delivered, he then said ‘Well, that would have been based on a different pricing structure in terms of what we were going to charge for electricity. But, based on the new structure that the government is determined to pay for electricity I would put the net value of the SECV at much less than that’. And I asked him what he thought the net value was worth, to which he responded he thought it was worth somewhere between $3 billion and $5 billion. So we dropped from a net value in his original estimates of somewhere between $8 billion to $10 billion down to $3 billion to $5 billion.

If you take off the $2.5 billion of debt that is being reallocated, I am not sure how much money will be made by the people of Victoria. Irrespective of all that, the fact is the SECV is not of sufficient value to enable additional funds to come out of these sales. There will not be additional funds; they will not materialise. We will be lucky to cover the debt, and we will loose the income stream.

Hon. R. M. Hallam — This is hopeless! The location of debt has to have some impact on the value of the sale. Surely you would acknowledge
that it depends on the point from where you start. If the debt is there when the sale is made, surely that will impact on the price!

Hon. T. C. THEOPHANOUS — Let me go on because the minister just rambles on without knowing anything about the topic. The next time he comes to me with an analysis of some sort and some real figures on the SECV, will be a first, and I look forward to his doing it. He has never provided any information on the SECV because he does not know anything about it and does not want to know anything about it.

Another aspect to these sales is important. I shall quote from a recent report by Moody's Investor Services entitled Challenges of Restructuring the Australian Electricity Sector: Credit risks with Precedent dated November 1994.

Hon. R. M. Hallam interjected.

Hon. T. C. THEOPHANOUS — I am quoting Moody’s as an authoritative alternative.

Hon. R. M. Hallam interjected.

Hon. T. C. THEOPHANOUS — Do you think what they are saying is irrelevant?

Hon. R. M. Hallam — I do indeed!

Hon. T. C. THEOPHANOUS — The minister has gone on the record thinking they are irrelevant! That is fair enough. I am still prepared to quote them.

Hon. R. M. Hallam — I will remember you said that when Victoria’s credit rating is upgraded!

Hon. T. C. THEOPHANOUS — I shall quote from what it says:

These entities —

referring to the new privatised businesses —

will also be seeking to either refund existing obligations or borrow new money, much of it domestically. Potentially, the credit quality of all these new entities will diverge substantially from that of their prior structures.

What do they mean by ‘diverge substantially’? Do they mean that the credit rating will be better, or will it be worse?

Hon. W. A. N. Hartigan — I can hardly wait, tell me!

Hon. T. C. THEOPHANOUS — It does not take a genius to figure it out because the new companies will not have a government guarantee, and as a consequence their credit rating will be lower. It goes on to say:

It is therefore of interest to note that privatisation has often resulted in rating changes, ie downgrades. The ratings dilemma posed by the process involves a balancing of financial risk with business risk ...

Moody’s provided a table showing how the credit rating deteriorates as you move to privatisation. It begins at the bottom of the chart with the initial withdrawal of the government funding, but does not stop there with the withdrawal of government funding.

The next loss comes from corporatisation; that is followed by partial privatisation, and finally full privatisation. According to Moody’s full privatisation is the worst credit risk of all of the four stages. It further states that privatisation illustrates that credit risks normally increases as privatisation increases.

The other aspect has to do with the way the SECV has been broken up. Moody’s indicate in this particular article that the privatised businesses in the United Kingdom which have the best credit rating are the ones that have prime 1 credit ratings, and they happen to be the ones which are not based on the same system as has been applied in Victoria. They are Scottish Power and Hydro Electric. In both those cases they have remained as vertically integrated electricity businesses, and their remaining as vertically integrated electricity businesses has meant that their credit rating has been at prime 1 compared to some of the other companies that are distribution companies only or generation companies only, such as National Power, which is rated AA3.

Hon. R. M. Hallam — Do you think these ratings are important?

Hon. T. C. THEOPHANOUS — They are important to their borrowers, they are important to their performance and they are important to their value.

Hon. R. M. Hallam — You actually criticised Moody’s for not understanding what was going on
in Victoria! Do you recall that, or have you changed your stance?

Hon. T. C. THEOPHANOUS — I have quoted from Moody’s in relation to the electricity industry credit rating, and I look forward to the minister quoting from another source to counter what Moody’s has said.

Hon. R. M. Hallam interjected.

Hon. T. C. THEOPHANOUS — The minister insists in pursuing this line of questioning. I simply say to him that it is a very simple fact the credit rating of government raises a very different set of issues to the credit rating of private firms.

Hon. R. M. Hallam — So Moody’s got it right in one case and not in the other?

Hon. T. C. THEOPHANOUS — My argument in relation to credit ratings of government is that, because of the taxing power of governments, at the end of the day there is no real risk of default.

Hon. R. M. Hallam — Not in our case they weren’t. You blew them — 3 and 4 points!

Hon. T. C. THEOPHANOUS — The credit rating of private companies is and should be significant. The Moody’s Investors Service article I have quoted from relates to private companies. I do not have any difficulty in substantiating or putting a view which is consistent. It is not just the opposition that is saying these things; the people of Victoria, your constituents, once they get their price increases and they are on a different level to people in the city — —

Hon. R. M. Hallam — What about when the tariffs go down, Mr Theophanous?

Hon. T. C. THEOPHANOUS — Why don’t you talk to Peter McGauran. He had a few things to say about the electricity industry. In fact I think it would be a good thing for me to quote it for you, Minister.

Hon. R. M. Hallam — You don’t have to because I have read it.

Hon. T. C. THEOPHANOUS — This was reported in the Age of 19 September:

A leaked National Party document — —

is that your party, Minister?

Hon. R. M. Hallam — It is my party; it is not my document.

Hon. T. C. THEOPHANOUS — The article continues:

... has warned that the government’s electricity reforms could create a ‘rural underclass’, boost rural unemployment and stifle regional development.

Who is saying this? The federal shadow minister, Peter McGauran. He is from the National Party, the party of which the Minister for Regional Development is a member. The article continues:

The document — believed to have been prepared by the federal National Party MP and shadow resources minister, Mr Peter McGauran — argues against the state government’s decision to abandon the uniform electricity tariff, which for most of this century has ensured that country and city people pay the same.

Peter McGauran is in no doubt that the people of Victoria will be paying more and that country people in Victoria will be paying more than their city cousins. He has issued a paper on that but he has not convinced his National Party colleague, the state Minister for Regional Development. I look forward to you, Minister, getting up and saying that the paper that Peter McGauran has put out is rubbish and that it is wrong.

Hon. R. M. Hallam — You don’t have to wait, I will do that now.

Hon. W. A. N. Hartigan — I will do it first.

Hon. D. A. Nardella — There you go!

Hon. T. C. THEOPHANOUS — We all look forward to it. This debate and the material that is available on it is so extensive that one could talk about the electricity reforms ad infinitum.

Hon. R. M. Hallam — Aren’t you going to bring on George Brouwer?

Hon. D. R. White — Yes, we are ready.
Hon. T. C. THEOPHANOUS — It is not just a matter of the changes themselves; it is the way they have been brought about and the added costs for the people of Victoria. I have already indicated that up to $50 million is being spent on five new management structures in distribution.

Hon. R. M. Hallam — We got that!

Hon. T. C. THEOPHANOUS — A further $10 million has been reported as having been spent for advertising campaigns because each of those companies believe they have to establish their own name in the community. All honourable members would have seen the extensive advertising campaigns that have taken place.

Hon. R. M. Hallam — They have not been very successful if we have not seen them.

Hon. T. C. THEOPHANOUS — Distribution companies are spending $10 million on advertising, not to promote energy conservation, not on a community education campaign and not to encourage people to switch off lights when they leave a room and to use electricity wisely, but for a campaign to establish five different company names in the place of one.

The fact is that these five distribution companies will do nothing for the people of Victoria. For a start there will be no competition between the companies. I make it clear that the opposition has raised this matter with the federal government with regard to the Hilmer report. We are saying that the current government is not setting up a competitive model, it is setting up five geographically based monopolies.

Hon. R. M. Hallam — How come we have got the support of your federal colleagues then?

Hon. T. C. THEOPHANOUS — I don’t believe you have the support of my federal colleagues, but you can enlighten me about that.

Hon. R. M. Hallam — It is all just a vicious rumour then?

Hon. T. C. THEOPHANOUS — My federal colleagues support competition.

Hon. R. M. Hallam — Good, I am pleased to have it on the record.

Hon. D. A. Nardella — Unlike the Kennett government.

Hon. T. C. THEOPHANOUS — They support real competition.

Hon. R. M. Hallam — I see!

Hon. T. C. THEOPHANOUS — This model is not a competitive model.

Hon. R. M. Hallam — How would you change it?

Hon. W. A. N. Hartigan — He wouldn’t.

Hon. R. M. Hallam — That is the point.

Hon. T. C. THEOPHANOUS — This model is not a competitive model because of the fact that the only people able to compete, even in a marginal sense, will be the very large consumers. They could have competed anyway because it is simply a matter of identifying an alternative generation source. It is not necessary to identify an alternative distributor.

Hon. R. M. Hallam — So you say. How come you cannot convince your federal colleagues?

Hon. T. C. THEOPHANOUS — My federal colleagues do not just stand there. The federal government’s stand on this matter is to establish a national grid with competition between various generators.

Hon. R. M. Hallam — What an interesting concept they want competition.

Hon. T. C. THEOPHANOUS — Pacific Power in New South Wales, which is to remain as an integrated electricity business, will be competing with Victoria.

Hon. C. A. Strong — You know they are splitting up Citipower by 1995?

Hon. T. C. THEOPHANOUS — If they are, you had better make the announcement before the next state election in New South Wales so that the people know that.

Hon. R. M. Hallam — What about in Queensland? Would you like us to make the announcement up there as well?

Hon. T. C. THEOPHANOUS — The people of New South Wales would like to know that the next Liberal is intending to sell off their electricity industry as well. The Queensland model is not a full break-up of distribution, as the minister would have
us believe. The Queensland model retains a single distribution network linked to its transmission network. The competition is introduced at the generation end and not at the other end. What is allowed is what has been proposed in the national policy. The national policy is about alternative sources of supply.

Hon. R. M. Hallam — Only competition.

Hon. T. C. THEOPHANOUS — And making a choice — yes, that is right. I want to know, Minister, how you make a choice to purchase electricity from another distributor which is geographically placed in a different area.

Hon. R. M. Hallam — If you can’t understand that there is not much point us having the debate. You are meant to be the expert. You are meant to understand what it is we are talking about.

Hon. D. R. White — His point is correct. You’re talking through your hat! You’re a f..kwit! Get it through your head!

Hon. R. M. HALLAM (Minister for Regional Development) — I take absolute exception to the terminology used by Mr White. It is unparliamentary, and I request that it be withdrawn.

Hon. D. R. WHITE (Doutta Galla) — I withdraw.

Hon. R. M. Hallam (to Hon. D. R. White) — So you should!

Hon. D. R. White (to Hon. R. M. Hallam) — Wake up to yourself! You’re talking through your hat!

The ACTING PRESIDENT (Hon. G. H. Cox) — Order! Through the Chair.

Hon. D. R. White (to Hon. R. M. Hallam) — Listen to him properly instead of carrying on! I was minister for 6 years out of 10 and I will do you over, Hallam! You listen properly instead of talking your normal pack of lies! I will do you over! You’re a pushover! You’re a little Hamilton shopkeeper, we know! Listen properly! Listen to the debate instead of taking shortcuts! You try a shortcut and I’ll do you over!

The ACTING PRESIDENT — Order! The house will come to order!

Hon. D. R. White (to Hon. W. A. N. Hartigan) — You’re a hypocritical tariff officer! Shove off!

The ACTING PRESIDENT — Order! The house will come to order. We will not continue while this interjecting is going on.

Hon. T. C. THEOPHANOUS — The minister has shown an absolute disregard for the relevant points put forward by the opposition. Whether it be questioning whether Moody’s is credible or making inane comments about other aspects of the debate such as the extra $50 million that is being spent on management not being a cost, it is typical of the way this ministry operates. The minister is nitpicking without offering any substantive argument to support his position.

Unlike the minister, I have read every report on electricity that has been made available to me by the government so I know what the proposals are in respect of the distribution network. The minister has no idea. It has been made clear by the distributors themselves that there will not be competition for ordinary domestic consumers.

Hon. R. M. Hallam — Rubbish!

Hon. T. C. THEOPHANOUS — The technology does not exist to incorporate that competition, and it certainly does not exist at a price that would make it affordable. It is all very well to put out papers and say that you intend to do it by 2000 without indicating how it will be done, but the fact is that those meters would have to be put in every house in Victoria. The meters are very expensive technology and there is no way that an individual distributor — —

Hon. C. A. Strong — They’re $40 each!

Hon. T. C. THEOPHANOUS — There is no way that an individual distributor would place them in houses. The choice will be zero. The minister knows it will be zero and we know it will be zero. If not, there would be no point — —
Hon. C. A. Strong interjected.

Hon. D. R. White interjected.

The ACTING PRESIDENT — Order! There is too much debate across the chamber.

Hon. T. C. THEOPHANOUS — There would be no point in having differential tariffs. Consider a hypothetical situation. Even if the technology were available — —

Hon. C. A. Strong interjected.

Hon. D. R. White — Not before 2000!

Hon. T. C. THEOPHANOUS — Even if the technology were available some time after 2000, if there are differential tariffs between a country distributor and a city distributor there is no way for the differential to be guaranteed by those distributors — —

Hon. C. A. Strong interjected.

Hon. D. R. White interjected.

The PRESIDENT — Order! It is difficult to hear the Leader of the Opposition while Mr Strong and Mr White are having a conversation across the chamber.

Hon. T. C. THEOPHANOUS — It is very expensive to install individual meters, and even more expensive if they are going to be done as one-off installations. It is impossible for the householder to do it. If they are one-off installations we should consider what is being proposed. If you live in a country area and you are being charged 15 per cent more for electricity than your city cousin is paying, because that is how it pans out under the new structure, you will say, 'I will buy my power from the city, and that means I will have to install some sort of meter'.

But you are not going to get a country-based distribution company to put it in for you because those companies do not want you to change. A representative from a city-based company will have to get into a car, drive to the bush and install a meter in your property so that you can buy electricity from the city rather than the country and measure the electricity you are consuming. What nonsense! What rubbish! Nobody believes it and it is not going to happen in my lifetime or in yours, Minister. That is the reality. There is no competition for ordinary consumers. Other levels of competition are possible without the break-up of the distribution network. The minister might not like it but it happens to be the case.

The opposition will fight these changes in public campaigns and it will win. The opposition will not allow the sales to proceed without making it absolutely clear to any prospective purchaser that it might have to endure future costs. In respect of the $50 million being spent on five new management structures, we cannot guarantee the jobs of those people in the event that we are re-elected because we are not in the business of providing management salaries. We are not about having consultancies or management structures worth hundreds of millions of dollars, and we will not proceed to sell the SECV with the inevitable result that the Victorian consumer will pay more, that the environment will be affected and that Victorians in general will lose the significant asset and income stream they currently enjoy.

Hon. W. A. N. HARTIGAN (Geelong) — I will try to restrain myself to the limited areas as ruled by you, Mr President. I would like to discuss the distribution, which was a major point made by the Leader of the Opposition. He is concerned about the cost of a particular level of wages and salaries in the total distribution system. I do not have the precise figures of wages and salaries and associated costs of distribution with me but they appear to be between $250 million and $300 million between the five distribution companies.

The Leader of the Opposition does not have to agree with me, but the intention is to find reductions in the total costs of all salaries and associated expenses. The people who have been hired have been put in place to bring in a level of commercial competence and management that will produce those cost reductions. I agree with the Leader of the Opposition that if that does not happen the exercise has been a waste of time and money. I do not have any doubt about the argument that you should not increase the costs, but the intention is to reduce them.

The government has already announced that it will reduce the asset base in the rural distribution areas by some $400 million as a contribution to lower absolute costs of power to rural Victoria. The relativity issue seems to inspire both the Leader of the Opposition and Mr McGauran, both for the same spurious reasons. The objective of the exercise, once again, throughout — —
Hon. D. A. Nudella interjected.

Hon. W. A. N. HARTIGAN — You heard what I said: the spurious reasons of the Leader of the Opposition and Mr McGauran. Did you get it?

An honourable member interjected.

Hon. T. C. Theophanous — Mr McGauran’s rubbish?

Hon. W. A. N. HARTIGAN — I said ‘spurious’.

Hon. T. C. Theophanous — He said ‘rubbish’.

Hon. W. A. N. HARTIGAN — I said ‘spurious’.

Hon. Pat Power — Are you attacking the National Party?

Hon. W. A. N. HARTIGAN — I am not attacking the National Party.

Hon. Pat Power interjected.

Hon. W. A. N. HARTIGAN — He is not speaking on behalf of the National Party, and certainly not on behalf of this government.

We are looking to reduce the absolute cost of power to country consumers of all sorts. Given the tradeable nature of most country economic activities, anything that reduces their competitive costs is a major advantage. The attitude we are taking in this regard — which is perfectly consistent with what we have done with local government and micro-economic reform generally — is that although you may have an argument about the equity issue, you should at least recognise that the aim is to reduce the costs so that our rural and regional areas become more cost competitive in the area most important to them — international trade.

On examining the various distribution activities, just a simple analysis of the various assets, customers and revenue reveals there will be considerable opportunities for cost reductions. I have no doubt that they will be recognised. A good deal of it needs to be recognised before we start privatising these activities. We do not want to put ourselves in a position of allowing purchasers to buy these businesses at a potential loss to the government because it has not done its best to get their efficiency and performance up to the highest level at the time of privatisation, so that the base starting point of prices throughout the total electric power industry are as low as a government enterprise can achieve.

We can argue about whether the government will achieve its objectives, and I guess at the end of the day we will be in government long enough to see whether we do; but the objectives are to obtain a better quality, lower cost service to all consumers and a reasonable value for the assets of the former SEC, which the state owns. If we do not achieve that, we will not have to argue about the issue.

At the end of the day the important issue is to attempt to restore competitive electricity in Victoria to the position it once held. We need to be not the third lowest but the lowest cost electricity supplier in Australia, and we need to be internationally competitive. The issue is not one of focusing solely on electricity but one of making the state more competitive, attracting investment to the state and increasing employment.

The Leader of the Opposition spoke about the motivation for privatised companies, when and if that comes about, to conserve energy. The first thing the private enterprise companies will do will be to attempt to improve the efficiency of the operation of various levels of business — generation, transmission and, indeed, distribution.

Hon. B. W. Mier — How can generation be more efficient?

Hon. W. A. N. HARTIGAN — As the President has ruled that we should not divert from the subject matter, I will talk about that later.

Hon. B. W. Mier — You explain to me how you are going to improve the efficiency of generation.

Hon. W. A. N. HARTIGAN — I understand the matter will be debated in the next few days, and I will explain to you then how that is done.

There are considerable opportunities to improve the cost of distribution and generate the sorts of benefits we have scheduled into our cost-reduction program through to 2000. I understand the arguments being put forward about the level of competition at the wholesale level. It is technically possible to increase competition, there is no question about that. I have no doubt that as the initial operators of the distribution companies perceive the competitive threat either they will move to these new technologies on their own initiative or competition or the threat of it will force them to do so.
If one has any criticism of what happened in the United Kingdom the major one would be the failure of that government to predict with any accuracy the cost savings that privatisation of electricity would make. It is our aim with the present state-owned structure to reduce the cost to the lowest level possible. I am predicting a substantial and progressive reduction in the price of electricity in real terms.

Hon. T. C. Theophanous — They predicted the same thing in the UK.

Hon. W. A. N. HARTIGAN — And they achieved it.

Hon. T. C. Theophanous — No, they didn’t.

Hon. W. A. N. HARTIGAN — They achieved it. With the exception of some large users, they achieved a 15 to 18 per cent real reduction over the period. In my view they could have achieved more if that government had been a little more careful about the way it structured the operation.

Hon. T. C. Theophanous — Where did you get that figure?

Hon. W. A. N. HARTIGAN — The figure is in the literature.

Hon. T. C. THEOPHANOUS (Jika Jika) — On a point of order, Mr President, Mr Hartigan has quoted a figure in the order of 15 per cent for the electricity price reductions in the UK. It is fairly commonly known and understood that UK electricity prices for domestic consumers went up by 40 per cent. I would like you, Sir, to ask Mr Hartigan whether he could source the figure of 15 per cent that he quoted for the price reduction and indicate over what period that occurred.

The PRESIDENT — Order! There is no point of order.

Hon. W. A. N. HARTIGAN (Geelong) — The opportunities exist for us to achieve the objective of a better price. It is also true that private enterprise will operate these facilities much more efficiently than is currently the case. It is anticipated that the reduction in price and the sale of the assets at a reasonable value will be generated by private enterprise expecting to have the ability to operate the facilities much more cheaply than they have been operated.

In regard to arguments on foreign ownership, I understand the speech of the Leader of the Opposition in this place is politically correct in the eyes of his particular faction of the Labor Party; but the fact is, as the minister has already indicated, that the Foreign Investment Review Board will apply its rules to any foreign investment that may be made in this industry. I have no doubt that the same rules the federal government has applied to other investments will apply in this case. In looking for foreign investment, we will look for the best technology and the highest capital payment for the assets. I would have thought both those objectives were fairly desirable.

The Leader of the Opposition did nothing except express the Labor Party’s usual xenophobia about foreign investment, which is not shared by his mates in Canberra. Indeed, given the nature of the open economy to which we are moving, foreign investment that is valuable to Australia for the technology and the price it brings for the assets should be encouraged, not discouraged.

The final objective of this exercise is to bring a lower real cost to the consumers of Victoria, whether they be domestic, small business or large business. Getting rid of the cross-subsidies is a necessary element of relating prices more accurately to cost, which in turn is fundamental to demand management. It is a very important issue as are the other issues, but it is also a function of people being concerned about getting their costs down and finding a better way of operating existing and new facilities.

The real control of environmental concerns will come through new technology and people seeing cost benefits in achieving more environmentally sound outcomes. At the end of the day the wealthy capitalist countries of the world have achieved the best environmental gains and the socialist countries the least. There is no adverse nexus between electricity development and environmental virtue.

I have no doubt that a privately owned electricity distribution energy industry will be as capable as any other, if not more so, of producing a desirable outcome.

Hon. B. W. Mier — What about nuclear energy?

Hon. W. A. N. HARTIGAN — I did not think we were talking about that. I did not think we had nuclear energy! The digression is, as usual, irrelevant and ill-informed. Private enterprise is at
least as capable, if not more so, of producing beneficial requirements for the environment. I am sure that the benefits of cost reductions and investment will produce those results.

The generation of electricity will allow substantial opportunities for cost reductions. We are not to discuss that issue today, but I look forward to discussing the matter when the house debates the Electricity Industry (Further Amendment) Bill. I believe there are great opportunities for improvement in service delivery and significant savings to customers through the new distribution outlets. This is a virtue of the proposal.

The objective of the exercise is to get the best value for the assets, and the management of the price regime through to 2000 is designed to do those things. It will give potential investors in the industry the ability to forecast revenue streams. The demands for energy are predictable and the utilities are said to be low risk, which again addresses the issue of financial risk. Utilities in this business worldwide are considered low risk because of the very good predictability of revenue streams and usage over a period. I have no doubt that having set a price regime, through the efficiencies that will flow from private enterprise, we will produce reasonable returns for the assets sold and private buyers will have no difficulty in securing favourably priced financing.

At the end of the day the net debt position will be determined by the total income received from the sale of the assets that the government is contemplating. My recollection is that the value of the assets is closer to $12 billion to $15 billion. I am not familiar with the figure quoted by the Leader of the Opposition. Nevertheless, I will be interested to see whether the assets precisely expressed at $12 billion to $15 billion are valued at those figures. When we debate the Electricity Industry (Further Amendment) Bill we may discuss some of the arrangements that the former Labor government put in place.

It is curious to hear the discussion about foreign investment because the former Labor government was willing to give effective control of part of the industry to foreign investors. I recognise the equity level was less than 100 per cent.

Hon. T. C. Theophanous — It was 40 per cent.

Hon. W. A. N. HARTIGAN — I meant to say less than 50 per cent. The nature of the relationship between Mission Energy and the government gave the company effective control of the operation, because it had a long-term contract based on volume and supply.

The level of equity in a company is not the sole criterion of effective control by one party. I would dispute anyone's saying that Mission Energy does not have effective control of its operations. The level of hypocrisy may be measured by the fact that the former Labor government, perhaps for different reasons, found it desirable to sell equity in Loy Yang B.

I am concerned about how the level of assets will be measured. I believe income stream in relation to book value is the best measure, but I wonder how soundly based was the level of investment compared with the real market value of the assets constructed by those levels of investments. I have doubts whether the SEC was an effective investor of money for the assets it produced.

The government has created five government-owned distribution businesses. It plans to privatise them in due course and skilled management has been put in place. The government expects to reduce the cost of operating the distribution companies, which is the justification for employing high-salaried officers, consistent with salaries being paid in the private sector. I am pleased that Mr Breheny, notwithstanding his views about the restructuring, was not so worried that he declined to take up his position.

Hon. T. C. Theophanous — At double the salary!

Hon. W. A. N. HARTIGAN — That is not the issue. He must have believed he was capable of doing what he is being paid to do, and in my judgment he will do just that.

The government has had to reallocate debt and related assets, and at the end of the day the effect of its actions will be there for all to see. The efficiencies brought about by private enterprise control will be available for all to see. They will generate the government's objectives of better prices, better quality of service, a good return on assets and long-term investment in the modernisation of the industry, with the flow-on effect of reductions in the cost of production and benefits to the environment.

I cannot support the motion. It is not one that deals with the electricity industry, but it is designed to be distributed to the hard-left of the Labor Party to
show that its members in Parliament are loyal to a view that nobody else believes in, including their federal colleagues.

Hon. D. R. WHITE (Doutta Galla)—It is with great pleasure on behalf of the Australian Labor Party that I strongly support the motion. We will fight every aspect of the break-up of the State Electricity Commission, the distribution system and the generation system because they are not in the interests of Victorians.

My main regret after listening to Mr Hartigan is that he is not informed about electricity utilities. He has demonstrated that he has not applied himself to or shown anything other than the most superficial interest in the electricity industry. Before he speaks again, I ask him to have regard to the following question: it is correct that the Hilmer report and the national government are committed, as we are, to an effective competition policy? There are many expressions of that. One is in respect of Telecom and Optus, where it is clear to the consumer that there is a choice of end products. Similarly, the airline policy has given consumers a choice of products.

In relation to the application of competition policy to the electricity industry as part of the national policy, we make it clear that we support the federal government absolutely in the establishment of a national grid, commencing with the south-eastern grid which enable New South Wales, South Australia, Queensland and Tasmania to have access to the Victorian market and vice versa. The strengthening of the link between New South Wales and Victoria will provide genuine opportunities for consumers in Victoria and elsewhere to have access to a number of different generation units, and that aspect of the application of competition policy is strongly and fundamentally supported.

As my colleague Mr Theophanous said regarding the application of competition policy in Queensland, New South Wales and Victoria, what the government is unable to demonstrate here is that there will be genuine competition for the consumer. This is a fundamental issue. You must offer genuine competition. The break-up of the distribution system, as Mr Theophanous has said, does not introduce competition for the end consumer.

As a consequence of the creation of five distributors the end consumer will have a choice in the way Australians understand choice as it applies in the case of Telecom and Optus or in relation to airline policy. As Mr Theophanous said, major manufacturers and very large consumers of electricity—the Fords of the world and the chemical industry—have and ought to have access to competition and choice by virtue of having access to various generators.

In the first case, the application of the national electricity policy means that via the distribution system the Ford company should have access to power from generators in New South Wales, South Australia and, ultimately, Tasmania. It also means that from time to time they should have the choice of obtaining power from a specific generator within Victoria.

The opposition argues that that choice would be available to manufacturers from the State Electricity Commission as it was previously constituted, together with and following the development of generators operating on a stand-alone basis, such as Loy Yang B.

The opposition further argues that in breaking up the distribution system the government—Mr Hartigan, the Minister for Energy and Minerals, the Treasurer and the bureaucrats—has not demonstrated that Ford, the chemical industry or ordinary consumers are in any way better off. We are better off only in relation to being able to use Telecom or Optus for telephone calls or Qantas or Ansett for plane trips. The Minister for Regional Development has not demonstrated that, which was why I took exception to his interjection.

Mr Theophanous was saying in relation to the Queensland break-up and the lack of competition between generators that there would still be one distribution system in Queensland. The government is putting a model on the table, saying that there will be five distributors, and it is trying unsuccessfully to argue—

Hon. W. A. N. Hartigan—In your view!

Hon. D. R. WHITE—The onus is on you to demonstrate to consumers that they have a choice. There is no evidence—

Hon. W. A. N. Hartigan—Because you say there is no evidence does not mean it is so.

Hon. D. R. WHITE—The distributors include United Energy, Solaris, Powercor and Eastern Electricity. I am confined as a domestic consumer to purchasing electricity from the distributor that covers my geographic area. That is it!
Hon. W. A. N. Hartigan interjected.

Hon. D. R. WHITE — You put that on the table. It is not an assertion, Mr. Hartigan.

Hon. W. A. N. Hartigan — What is it then?

Hon. D. R. WHITE — As of today I receive electricity from one distributor and I pay a bill to one distributor. As a domestic consumer I cannot ring up and purchase electricity from any other distributor.

Hon. W. A. N. Hartigan — As of today!

Hon. D. R. WHITE — There is no competition as of today. That is my point.

Hon. R. M. Hallam — We do not dispute that.

Hon. D. R. WHITE — You do not dispute the fact that there is no competition as of today?

Hon. R. M. Hallam — As of today we all agree.

Hon. D. R. WHITE — We have established the first point: we all agree that there is no competition as of today.

The next point is that in all the advertising, image promotion and development — there has been a lot of advertising by Solaris and United Energy about their businesses — the distributors have not said to consumers when this opportunity will be available. They have not said it will be available in 1995 or 1996. Mr Strong interjected about a technology breakthrough and I will go to another source on that in a minute!

Not one of the distribution businesses that are currently in existence is offering access to its facilities to consumers outside its geographic area or competition in the only terms Australians understand competition, such as the competition between Telecom and Optus and between Qantas and Ansett. No-one is offering me or Mr. Hartigan access today or in the foreseeable future to a supplier outside our geographic areas. No distributor has offered it as part of its marketing campaign. Nobody has said when this facility will be available. Mr. Strong said the technology may be available by 2000.

Hon. C. A. Strong — I did not say that. I said it is available now at very reasonable cost.

Hon. D. R. WHITE — Mr Strong interjects that the technology is available at very reasonable cost. According to Mr Strong, for $40 Mr. Hartigan and I can buy a meter today and purchase electricity from outside our geographic areas. Is anyone marketing that? Of course not! It is not on the market! Not only is it not on the market, but none of the businesses has indicated in its marketing brochures when it will be on the market — not one!

The advice that I have received from senior managers in electricity, such as the late Jim Smith and Mr George Bates, both of whom we all hold in high regard —

Hon. R. M. Hallam — Take it as read that, yes, we do on both sides of the house.

Hon. D. R. WHITE — In relation to the first point I made, it is virtually impossible to develop an understanding of the electricity industry in Victoria, as Mr Hartigan was obviously purporting to do in speaking on this subject, without having regard to people of the calibre of Mr. George Bates. One should not attempt —

Hon. W. A. N. Hartigan interjected.

Hon. D. R. WHITE — The Minister for Regional Development had sufficient confidence in Mr. Bates to recently appoint him as a commissioner of local government in the Gippsland East area. However, his skills go well beyond that position. In a lifetime career with the former State Electricity Commission — his father had also had a lifetime career in the SEC — he was responsible for, among other things, management of the Loy Yang A power station and the transmission system. He was later the chief executive responsible for corporate planning in the commission and, finally, was chief executive of the commission itself.

There is no question that in respect of his holding down all of those posts he was held in the highest regard in the community generally, in the profession and throughout the commercial sector. I refer to people from the Committee for Melbourne as a representative group, people from the financial sector or chief executives of individual large businesses with whom he had to deal in the retail, service, chemical and automobile sectors. I am not saying anything that the Minister for Energy and Minerals or the Minister for Regional Development has not endorsed at greater length than I have just done, and in the case of the Minister for Energy and Minerals, endorsed publicly.
Notwithstanding Mr Strong’s remarks that you can make a choice, Mr Bates has made it clear that the technology that you and I would want and need to have competition and a choice we can understand would not be available in the foreseeable future, certainly not in this decade. The opposition is making it clear that it is not available.

Hon. K. M. Smith — It is available and is being used in Hampton Park.

Hon. D. R. WHITE — The technology is not available on the market in the way the community understands the word ‘available’ — none of the five distributors is offering it as part of its business and commercial arrangements. None of the businesses has it in its marketing profiles.

Hon. W. A. N. Hartigan — How do you know?

Hon. D. R. WHITE — Their marketing profiles are conspicuous. They are advertising on television and in local newspapers, marketing at length their image as new entities. But as part of that exercise they are not marketing the range of services they provide or the opportunity for domestic consumers to obtain access to a competitive model. Nor has it been part of the government literature that that will be available in the foreseeable future.

Nobody, not even the minister, the Premier or the Treasurer, has said when this great day will arrive, when we will have something similar to Telecom and Optus or Qantas and Ansett. It is not on the table. The minister cannot say in relation to the distribution system that there is something that clearly does not exist. That is why I took such strong exception to the interjection made by the Minister for Regional Development to Mr Theophanous. He was trying to give the impression that there is a facility available which he knows — there was nothing wrong with what Mr Theophanous was saying — does not exist. It is either visible, on the table and available, or it is not or it is about to be and we all know when it will occur.

In supporting the competition model for electricity in the distribution system Mr Hartigan did not say anything about the most fundamental aspect of the competition model: when it would be on the table, in your house, Mr Power’s house or my house. That is what we want to know.

Hon. W. A. N. Hartigan — In due course.

The DEPUTY PRESIDENT — Order! Mr White has dealt at significant length with this matter and should get on with the next issue.

Hon. D. R. WHITE — Mr Deputy President, if you had been here for the whole debate you would have known and understood how significant this point is.

The DEPUTY PRESIDENT — Order! I have been in the chamber for the past 15 minutes and you have spoken at length on this particular issue. I suggest that you move on to the next subject.

Hon. D. R. WHITE — The minister spent some time in a previous life on the Public Accounts and Estimates Committee. He understands and has put down in this house on many occasions the disciplines that he expected of public bodies concerning accountability to the community. Let me put to him what he expects of the businesses that are now being created, and in response he can clearly indicate to me where I have made a wrong point about what I say about not only my expectations but his expectations. The first thing one must understand is that there have been reforms within the electricity industry in Victoria.

Hon. R. M. Hallam — Which I have acknowledged.

Hon. D. R. WHITE — Which you have acknowledged.

Hon. R. M. Hallam — And I acknowledge your role as well.

Hon. D. R. WHITE — I am not seeking that. Firstly, the minister knows that the number of staff in the electricity industry has been reduced, for better or worse, from 23 000 in 1989 to about 10 000 today. Secondly, there was a credible bushfire mitigation program that arose from what regrettably occurred in 1983. As we all know, the setting this year is as ominous as it was in 1983, when there were 2000 bushfires. We hope that will not be repeated.

There was also a projected tariff policy in 1992 of a 10 per cent and a 5 per cent increase, and a projected reduction between now and the year 2000 of 8 per cent. That is part of a government projection.

There was also a demand management program. Mr Hartigan said that senior officers within the SEC have been arguing — this has to be taken into
consideration but it is not necessarily the only point of view — that if you have a certain integrated unit linked back to a generator there is more incentive to ensure that you can offer rebates in planning and design of those new commercial, industrial and other buildings to ensure there is more efficient use of the electricity we produce. We as a nation and as a state are inefficient users of the electricity we produce relative to the countries and states, such as Singapore, that do not have access to the same resource base.

Hon. W. A. N. Hartigan — I agree that is a point of view.

Hon. D. R. WHITE — The point I am making, Mr Hartigan, is that there were programs in place; there was a reduction in staff, there was a bushfire mitigation policy and an existing tariff and demand management policy. They existed because they were clearly spelt out by the utility. I am not talking about pre-1992; I am talking post-1992.

If one establishes new generators and distributors then the question that you, Minister, have to ask on the Public Accounts and Estimates Committee, firstly of the minister and then of the new units, in relation to each of these policies is: what is the mission statement of the businesses, their objectives and how are you going to build on the policies that previously existed? Don’t say to me, Minister, that the answer is that it is only the status quo, because that is not a sufficient justification for the break-up of the generation or distribution system. You must have something more than what was previously on the table.

Hon. R. M. Hallam — I agree.

Hon. D. R. WHITE — That is a reasonable expectation, and you have just agreed with that. In response, Mr Hartigan said certain things would occur. I agree with him about what the end result should be: each of the businesses that is being created has a responsibility to state explicitly what it intends to achieve as a consequence of being a new entity. I am not talking about their advertising image but their accountability.

Acting as the devil’s advocate I point out that the minister would expect Solaris Power to have a mission statement, a set of objectives, a reduction in staffing — —

Hon. W. A. N. Hartigan — And lower costs.

Hon. D. R. WHITE — Lower costs, a mitigation program, a tariff policy and demand management. The minister has agreed that would go above and beyond what was currently being achieved because otherwise the break-up is not justified.

Hon. R. M. Hallam — You agree with all of that?

Hon. D. R. WHITE — That has not been done. You made a statement of intention that you will achieve certain things, but in terms of the expression of government policy you have failed to make explicit what you will achieve over and beyond what has been achieved to date.

Also as part of the uniform maximum tariff the minister has clearly given the impression to rural consumers that they will be worse off than they previously were. The introduction of a uniform maximum tariff means that there is not only a presumption but a real fear in every area outside the metropolitan area, in regional and rural Victoria, that they will be disadvantaged not only domestically but also as of today and since 1 October by the companies being competitive industrially and commercially in the electricity tariffs they will offer. And you have not been able to demonstrate that that would not be so. So the climate where business decisions are made — —

Hon. W. A. N. Hartigan — You haven’t accepted the argument! That is not the same thing!

Hon. D. R. WHITE — As Mr Theophanous and Mr Power said, there is no section of the community that we visited and talked to outside the metropolitan area that does not think otherwise!

Hon. W. A. N. Hartigan — That is a different issue!

Hon. D. R. WHITE — As an opposition you cannot generate that spectre. Either it exists or it does not exist, and it will remain in existence until such time as someone has implicitly demonstrated that it is not so and it will work. The onus is on — —

Hon. R. M. Hallam interjected.

Hon. D. R. WHITE — I beg your pardon?

Hon. R. M. Hallam — You would work at that being the case! Of course!

Hon. D. R. WHITE — As I said at the outset — —
Hon. P. R. Hall — Come on, be honest!

Hon. D. R. WHITE — Mr Hallam, as I said at the outset, and as you understand, we were not opposed to reforms occurring in the electricity industry. That is the first point. Secondly, we are not opposed to and support strongly the national competition policy announced by the federal government for Victorian businesses to have access to New South Wales, South Australia and it is to be hoped ultimately Queensland.

Mr Theophanous and I, as do all my colleagues, know and understand that and completely support all of that. But what we are saying is that no justification has been given, no explanation made, and Mr Hartigan did not demonstrate — —

Hon. W. A. N. Hartigan interjected.

Hon. D. R. WHITE — As the person responsible for selling 40 per cent of Loy Yang B, I did so with the support of all of the party!

Hon. W. A. N. Hartigan — Where do you stand today?

Hon. D. R. WHITE — I indicate to the honourable member that we are absolutely and implacably opposed to: one, the break-up of the distribution system of the state’s electricity system; and two, its sale. We are absolutely and implacably opposed to this move because Telecom and Optus offer you an alternative telephone service. Qantas and Australian Airlines offer you an alternative airline service. But in your home you do not have a choice as to which distributor provides you with your electricity and for the foreseeable future — for at least six years — that will remain so. We are implacably opposed to the fact that the government is not offering anybody at any time — —

Hon. Bill Forwood interjected.

Hon. D. R. WHITE — At any time! It is not offering anybody! I argue that we are not only opposed to the break-up of the distribution system, but are also opposed to its privatisation. As we have said on a number of occasions, the programs and policies that were in place will be jeopardised. We have lost a significant number of the managers within the State Electricity Commission who were at least as capable as anyone in the commercial sector, but as Mr Theophanous has said, their salaries have been increased, their experience and knowledge in the electricity industry has diminished and in the circumstances all Victorians will be worse off as a consequence of this model.

Hon. Bill Forwood — You can’t illustrate that! You cannot demonstrate that!

Hon. D. R. WHITE — Let me make one thing clear. In 1994 as a consequence of the break-up of the State Electricity Commission there have been two experiences of breakdowns in security of supply. One occurred at Anglesea and one occurred at Endeavour Hills. These are not known previous experiences. These incidences were not a consequence of a car going into a pole, or of a tree falling over a line, this was a breakdown in the transmission system itself. There was a third avoidable experience down in Jolimont Road when 7000 businesses were cutoff in the CBD.

That is a consequence of tampering with the fundamental security of supply. The relationship between the generator, the transmitter and the distributors has changed. Moreover the technical skills in the transmission area have been diminished.

The late Mr Jim Smith said to Mr George Bates that he was concerned about the diminution in the skills occurring in the transmission area and the fact that that would lead to breakdowns in security supply, not caused by a tree falling on a line or a car, but in the equipment itself, which would lead to supply being cut off. This was evident in the Anglesea and Torquay area and the commercial area for a number of hours, which caused a negative impact on businesses as experienced in Endeavour Hills and Jolimont.

In raising that issue the assurance that Mr George Bates gave to the late Mr Jim Smith was that it was his belief that he would retain certain senior officers. He named one specific officer who is well known in the electricity industry because of his knowledge and understanding of transmission, and there have been others, namely Kevin Connelly and George Bates. However this specific officer was Mr Tony Wilson, who had been head of distribution. He would be known to Mr Strong and is a very capable officer both in his understanding of tariff policy and his understanding of transmission. He was very strong in terms of his understanding of the technical requirements in the transmission system. He was the reserve that George Bates had in mind because of the number of commercial and non-technical appointments that were occurring in transmission.
Mr Tony Wilson on behalf of this government is now in charge of the coordination of the provision of private prisons in Victoria. He has been lost to the transmission system and to the electricity utility business. So the insurance that Mr Bates had in mind to reassure the late Jim Smith about what might be possible to meet his concerns about the complexities that would arise as a result of breakdowns was not satisfied and has not been made up. What the opposition is saying — —

Hon. Bill Forwood interjected.

Hon. D. R. WHITE — No, what the opposition is saying is that technical expertise at the most senior level of transmission is not what it was. It is lacking and the most key people are not to be found there. The complexity of the provision of electricity will be made more difficult with the establishment of five retailers having access to different generators. As a consequence of the changes that have been made there has been a diminution in technical and professional terms in the quality of the provision of technical and transmission services and a breakdown in the quality of supply. What occurred in 1994 at Endeavour Hills and Anglesea has not previously occurred. I spoke to the officers on the spot in Brunton Avenue, Jolimont, East Melbourne, where 7000 premises and users of electricity had their electricity supply cut off.

The DEPUTY PRESIDENT — Order! Mr White is continually going over the same ground. It is not for me to make his speech for him; however I suggest that he is wasting his own time — —

Hon. D. R. WHITE — Mr Deputy President, what I have done in the preparation of this speech is to have the utmost regard to your style and technique in speech making since 1976. I have read all your speeches and listened to them and I have been guided by the principles and standards that you have set.

The DEPUTY PRESIDENT — Order! That is a most interesting, witty introduction; however, I am quite sure that had I carried on in the same way as the honourable member is doing, going around and around, I would have been hauled into order by the Presiding Officer exactly as I am suggesting to you. I ask the honourable member to come back and begin on a new subject. You have been over the same subject three times. I point out to the house that we have unlimited time for debates at all times. No member has any time constrictions on them, but we do have standing order no. 133, which refers to tedious repetition and irrelevance. For that reason we need to obey one rule or the other. I suggest you will make a better speech, Mr White, if you come back and introduce new material.

Hon. D. R. WHITE — Mr Deputy President, I have been waiting for this ruling from you since 1976. I thank you for the precedent you have set and remind you of the precedent set by your honourable predecessor, Mr Alan Hunt. On many occasions when you were on your feet he drew to your attention factors such as tedious repetition and boredom, and on every occasion you had no regard to his ruling and kept going. I am not going to do that. You never took any notice of the Chair and bored us stupid, but I am not going to do that.

In conclusion I strongly support the resolution of Mr Theophanous, and Mr Hartigan's response is totally and absolutely inadequate.

The DEPUTY PRESIDENT — Order! I point out to Mr Strong that this issue is restricted by the agreement made at the beginning of the debate.

Hon. C. A. STRONG (Higinbotham) — Thank you, Mr Deputy President. I will deal specifically with some of the issues taken up by Mr Theophanous, particularly his mode of quoting certain individuals in a fashion which leaves us with a misleading impression of their views of the outcomes that are likely to result from the government's reforms.

Mr Theophanous quoted at great length from Mr Breheny. I know Mr Breheny extremely well as an officer who joined the State Electricity Commission of Victoria in around 1983-84, I would guess. He joined the commission from Telecom in a financial management role. He stayed in that financial management role until approximately 12 months ago when the then head of Energy Victoria, Mr Alan Freer, retired and Shane Breheny, his financial manager, took over the position as clearly Electricity Services Victoria was only the transition phase towards the currently existing five entities. Although Mr Breheny is a competent operator, it needs to be said that it would be wrong to see him as a guru of electricity because, as I said, his basic competence is in the financial area.

Let me go on and put the correct view on some of the comments being made. Mr Theophanous was quoting out of context from many of the things Mr Breheny said in a paper that he presented to the third Electricity Supply Association of Australia
annual conference on electricity reform on 9 and 10 November this year. I have a copy of the paper and I intend to quote at some length to put on the record exactly what was said at that time rather than the out-of-context distortions Mr Theophanous has selected. I will quote a couple of paragraphs from the paper:

I tend to agree with the mathematician in the film 'Jurassic Park' who kept saying that the chaos theory will operate despite the best planning and modelling work...

As I recollect, that is where Mr Theophanous stopped his quote and started to imply that Mr Breheny was saying the whole process was a disaster. Let us go on and hear what Mr Breheny said:

The ecosystem is just too dynamic to predict accurately.

Hon. T. C. Theophanous — I quoted that. What an idiot you are.

Hon. C. A. STRONG — He goes on to say:

In my view, the same goes for the evolving competitive market in Victoria. The analogy with Jurassic Park should, however, not be extended too far —

and that is exactly what Mr Theophanous did —

for we all know what happened there at the end!

The article continues:

There are, in Victoria, about 30 new directors —

once again this is another area Mr Theophanous quoted out of context —

sitting on the boards of the new distribution businesses, almost all of whom come from the business world with no electricity industry background.

I took some pains to highlight the background of Mr Breheny which was, according to Mr Theophanous, quite different from all others. In fact it is very similar. Once again the following was not part of Mr Theophanous's quote:

The government has defined the rules of the game, as we shall see later. These boards will aim to maximise their shareholder wealth (which is the government at this point) operating within the rules and regulations laid out by the government.

We have heard a lot in this debate about how the government is seeking to lose the wealth, that these boards will in fact cause the government a loss. That was the implication of the out-of-context quotes by Mr Theophanous. Clearly what was put forward in this paper is that these boards will aim to maximise their shareholder wealth, which is the government, within the rules and regulations laid down by government.

What are some of those rules and regulations? The first and most important is to give a very significant benefit to all electricity users throughout Victoria by giving small business 22 per cent real reduction between now and 2000. These are the guidelines the government has laid down, while for domestic customers there is a 9 per cent real reduction.

Hon. T. C. Theophanous — You are telling fibs.

Hon. C. A. STRONG — You sit there like the little boy who cried wolf again and again and again because you have said ad nauseam that all these changes — privatisation, restructures, disaggregation — will put up the price of electricity. Wrong, wrong, wrong. The evidence is there. The price is coming down. You have cried wolf once too often.

Another totally out-of-context quote by Mr Theophanous from Mr Breheny's paper which is worth highlighting is the selective statement:

Though MUTs are a distortion —

That is the part Mr Theophanous quoted. He then went on to say how MUTs were a distortion and could result in higher prices, and so on. He put his own spin on somebody's first half a dozen words. The paper says:

Though MUTs are a distortion and send the wrong price signals to customers, they are a necessary protection to franchise customers during the transition period until a fully competitive market is expected to be operational in the year 2000.

These tariffs will apply to franchise markets ... and they guarantee real price reductions over the next few years ... till the year 2000.

Mr Theophanous once again falsely implied that this man had presented a paper which is critical in many ways of what the government is trying to do. It is fundamentally false because when the quotes are read in full they do not have the spin
Mr Theophanous put on them. It is wrong for people to come here and use information selectively to create the wrong impression. It is all very well to throw mullock at members on this side of the house, but if in so doing you deliberately hurt an individual outside this house who is not able to respond, that is not only false, but totally unjust and unfair.

Mr Theophanous quoted Mr Breheny in a most selective way to get the spin he wanted. Hansard will show the interpretation Mr Theophanous put on his words and it is not the interpretation that is meant.

I should like to mention the points Mr Theophanous and Mr White made about competition at the retail level. It has been said many times that the retail market will be fully deregulated by 2000. Not one person would be unaware of that, so it is hypocrisy for Mr White to say the minister does not know anything about the subject while he pretends not to know that the retail market will be deregulated by 2000.

Honourable members interjecting.

The DEPUTY PRESIDENT — Order! Mr Strong has the floor. There is too much audible conversation between Mr Theophanous and Mr Smith, who is out of his seat.

Hon. C. A. STRONG — In respect of retail customers Mr Breheny’s paper states:

Each DB —

distribution business —

will be free to bring on new regulated tariffs that might be targeted at a specific sub-segment, end use, geography, more time of use tariffs, etc.

The very presence of so many retailers in the market will tend to put pressure on each retailer to lift its service levels to the residential sector well before it becomes contestable.

This expert whom Mr Theophanous misquoted says that even though the residential sector will not become contestable until 2000, enormous benefits will come to it long before then.

During this debate many matters that are absolute nonsense were canvassed. They have been canvassed many times before and they will be canvassed again when we debate the electricity bill later this week. I conclude by saying that I felt it was important to place on record what Mr Breheny said so that the truth is there for people to read and so that Mr Theophanous understands that he should not misquote, mislead and damage people by selectively and incorrectly quoting them in this house. The motion is total and absolute nonsense.

Mr Theophanous cried wolf again by saying these changes would raise prices demonstrably. They will not. You are like the little boy who cried wolf, Mr Theophanous. You have been caught out, and every time you cry wolf you become a bit shriller because you know it is not working and that what we are doing is not working. Your selective misquoting will prove you wrong, and the closest thing to lying is selectively misquoting. I oppose the motion.

House divided on motion:

Ayes, 13

Davidson, Mr
Gould, Miss
Henshaw, Mr
Hogg, Mrs
Ives, Mr (Teller)
McLean, Mrs (Teller)
Mier, Mr

Narestella, Mr
Power, Mr
Pullen, Mr
Theophanous, Mr
Walpole, Mr
White, Mr

Noes, 27

Asher, Ms
Ashman, Mr
Atkinson, Mr
Baxter, Mr
Best, Mr
Bishop, Mr
Bowden, Mr
Brideson, Mr
Conrad, Mr
Cox, Mr
Craige, Mr (Teller)
Davis, Mr (Teller)
de Fegely, Mr
Forwood, Mr

Guest, Mr
Hall, Mr
Hallam, Mr
Hartigan, Mr
Knowles, Mr
Skeggs, Mr
Smith, Mr
Stoney, Mr
Storey, Mr
Strong, Mr
Varty, Mrs
Wells, Dr
Wüding, Mrs

Pair

Kokocinski, Ms
Birrell, Mr

Motion negatived.

Sitting suspended 1.02 p.m. until 2.01 p.m.
QUEEN VICTORIA WOMEN'S CENTRE BILL

Second reading

Debate resumed from 30 November; motion of Hon. HADDON STOREY (Minister for Tertiary Education and Training).

Hon. C. J. HOGG (Melbourne North) — One of the difficult but very sensible things done by the previous government was the relocation of hospital services from the city where they were once very much needed to the suburbs where most people now live. That reflected the changing times and the shifting population. Indeed, last Sunday we saw on television the sad if rather spectacular sight of the last minutes of Prince Henry’s Hospital. Honourable members here know that the services of that excellent hospital were relocated in 1991 to the Monash Medical Centre at Clayton and also to the Western Hospital. Seven years before that the Queen Victoria Hospital services were relocated to the Monash Medical Centre; in fact, the Monash Medical Centre was created from the Queen Victoria Hospital, thus putting in place the first great hospital that now serves the south-eastern suburbs.

The history of the Queen Victoria Hospital is quite different from that of any other hospital in this state, and the legislation we are now discussing acknowledges that fact. The original idea for the establishment of the Queen Victoria Hospital came from the very small number of women who were practising medicine in the 1880s and 1890s. Dr Constance Stone, who had studied overseas — Melbourne University did not admit women to its medical school until 1887 — was the initiator of the hospital.

In 1896 when discussions about the need for a hospital for poor women were held, there were 10 women doctors practising in Melbourne, with another five about to join them at the end of that year.

Honourable members will be aware that following the gold rush of the 1850s, Victoria’s population expanded dramatically, leading to extreme congestion and poverty in the city and the inner suburbs. In an attempt to bring aid, assistance and relief to women and children in particular, the Women’s Christian Temperance Union and the Young Women’s Christian Association, which involved mostly better-off and middle-class women, worked tirelessly along with other philanthropic organisations. They tried very hard indeed to improve conditions for families and for women and children at a difficult time in our city’s history.

Those groups began to see that extending the suffrage would be a means of improving the lives of all women. Thus, the women’s suffrage movement and other groups dedicated to social reform played a very important role in the establishment of the Queen Victoria Hospital; they helped to establish it in exactly the right context at exactly the right time in history.

In the years leading up to 1896 Dr Constance Stone, her sister Dr Clara Stone and her cousin Dr Mary Page Stone conducted sessions one morning a week for women and children only at what was known as the Collingwood Free Medical Mission. On some days as many as 100 women attended those sessions. Thus Dr Constance Stone perceived, in her own words, ‘that the time was come to start a women’s hospital offered by women’.

Dr Stone’s husband happened to be a minister of the Welsh church, which was in Latrobe Street, and he obtained for her the use of the church hall, St David’s Hall, as a dispensary.

Early in September 1896 Dr Stone called a meeting of all women doctors in Melbourne, and six weeks later the Queen Victoria Hospital opened. The new hospital operated as an outpatient dispensary three mornings a week, allowing poor women the opportunity to be treated by qualified medical women. Although it does not sound like a hospital in the way we would understand a hospital, nonetheless that is how it was described.

In the first two weeks of operation 250 women presented for treatment, and on the days when excursion fares were available on the railways, women would also come from country areas. It seems from my reading that about this time there was great enthusiasm for women to be treated and to have their particular health needs met by women.

But another strand runs through the account of this period — I suspect Mrs Varty has picked it up as well. Many women seem to have dreaded examinations conducted by male doctors in the presence of male medical students. That seems to have been a common, run-of-the-mill experience for poor women, and in reading about it you can almost hear the voices of women saying what a relief it was that that no longer occurred in this particular set-up.
where the treatment was delivered to them by women.

Although at the very beginning the doctors controlled all the finances, the spectacular success of the hospital dispensary made an ironclad case for the demand for a proper hospital staffed by women and offering services to women. A provisional committee was set up, and I guess it would be no surprise that at least half of that committee of 16 were active in the suffrage movement.

The committee decided to launch an appeal. I shall quote from the June 1989 issue of Trust News, which refers to the committee and states:

The provisional committee decided to ask the women of Victoria to each donate one shilling towards the hospital, which would be dedicated to Queen Victoria in the year of her golden jubilee (1899)...

An impressive commemoration council of nearly 80 women was formed, headed by Lady Turner, wife of the Premier, along with the wives of two former premiers. It represented a broad range of women in order to attract supporters who might otherwise be alienated by the more political membership of the provisional committee. The council included wives of politicians, mayoresses from Melbourne and country areas as far afield as Port Fairy, wives of prominent men and women prominent in their own right, university women and leaders of such organisations as the WCTU, the YWCA and the Salvation Army.

The organisers of Queen's Shilling Fund appealed to the concern women felt for each other. Women were asked to contribute to the hospital because it was a practical step towards the federation of all women in 'the union of those who love for the service of those who suffer'. The organisers assured that money would go directly to the aid of suffering women and would not be expended in costly buildings. This gave poor women the opportunity of being treated by their own sex, and in the presence of women, only in a hospital which was for the general treatment of women.

I selected that quote because it has a number of echoes for women today. There has been strong bipartisan support for the proposed legislation at various stages. That bipartisan support has been absolutely essential, as it was essential for the original commemorative committee through its membership of 80 women — something we find absurd today — to be broadly representative to attract women from all walks of life to be part of the enormous fundraising appeal, a fundraising appeal like no other.

When one reads that there was an emphasis on the fundraising going directly to treating suffering women, rather than into costly buildings, we think about the aid agencies today that are very careful to make the same claim. I found it interesting that 100 years ago they took the same precautions with their appeals.

The appeal to women for their one-shilling contribution was a huge success and in all 63,250 shillings were collected. That contribution, when broken down, was made by almost one-quarter of all the adult women in Victoria — an enormous effort when one thinks about it; a quarter of the population making that kind of donation. A shilling in those days was a great deal of money to women from poor families — working-class women.

The Queen Victoria Women's Hospital officially opened near the Mint building in 1898. Within 40 years it had become the largest and most sophisticated hospital in the British Commonwealth to be staffed by women for women. When the hospital moved to the site now under discussion in 1968, it had a children's wing, a midwifery wing, an X-ray department and a children's ward. When the hospital services were transferred to the Monash Medical Centre at Clayton, many Victorian women, particularly older women, felt strongly about their site and their stake in the century-old project. Many women had learnt from their mothers and grandmothers that this shilling appeal had been a very proud story. Many women felt the hospital belonged to the women of Victoria and should not be changed. At the same time, those women would admit that the move from Lonsdale Street to the south-eastern suburbs was sensible. The centre of population in Melbourne was changing and they acknowledged that health care needed to be delivered to the suburbs; that there needed to be access to specialist medical and hospital services in the suburbs. Nevertheless, they felt there should be some other way of marking the contribution that the women of Victoria had made to the community.

Through their fundraising and energy, underpinned as it was by the dedication of Dr Stone and her colleagues, women had raised questions about women's health and started a great hospital. For years their donations had not been funding that hospital, not that fundraising does not play an important part in every hospital. Nevertheless the Queen Victoria Women's Hospital was funded in
the normal way and it was quite reasonable for the
government of the day to determine that the hospital
should no longer stay at that site but could move
somewhere else where it could be well used. With
those two strands in the discussion, many women
believed the hospital should be moved, that a new
building should be developed with access to
specialist medical services for hundreds of
thousands of men and women in the southern
suburbs, but that something that would last had to
be done to mark the contribution of women —
something that not only the women of the 1980s
would remember, but something that women of the
next century would remember and could recognise
easily.

There was considerable publicity and debate around
that issue. Pressure was exerted from many different
quarters. Finally, in 1992, there was agreement that
the central tower would become the site for the
women's centre. At the time of the announcement
the Honourable Joan Kirner, the Premier of Victoria,
stressed the significance of the central tower, the
integrity of the building and the existing features,
along with the smaller cost for refurbishment. She
announced a grant of $80 000 to develop a plan for
the refurbishment of the centre.

Today, ownership of the women's centre will be
vested in the Queen Victoria Women's Centre
Trust — a very exciting thing for women. The bill
establishes that the trust will provide for the
management and ownership of the land, that it will
be a body corporate with perpetual succession and
that it will manage the land for the purpose of the
Queen Victoria Women's Centre. Clause 5 states:

The functions of the trust are —

(a) to manage the Queen Victoria Women's Centre land
and to use it for the purposes of a facility to be
known as the Queen Victoria Women's Centre;

(b) to provide for the management, operation, use and
promotion of the centre;

(c) to provide for the efficient financial management of
the Queen Victoria Women's Centre land and the
centre;

(d) to seek funding for the centre;

(e) to provide on the Queen Victoria Women's Centre
land services and facilities for women, including
health information services, rest and meeting
rooms and other services and facilities;

(f) to provide information in relation to the services and
facilities provided at the centre;

(g) any other functions that are conferred on the trust by
this act.

The trust will consist of 12 members appointed by
the Governor in Council, of whom four shall be
selected from eight names submitted by the group
called the Queen Victoria Women's Centre Inc.

I have tried to compress into a small space a great
deal of the activity that went on from the mid-1980s
until the present. As I have said, a lot of debate was
generated and there were a lot of questions. Many
women on both sides of politics played major and
minor crucial parts in the process. Equally the
committee, that I think of as being led at least some
of the time by Lecki Ord, which was a very broad,
community-based representative committee, could
almost be compared with the committee of 80 which
set up the shilling trust appeal. That committee has
played a significant role over the past few years.

I am sure Mrs Varty would say that if ever her
attention on this matter flagged there was somebody
in this house or at the door reminding her that it was
important that the matter be settled. I am sure there
is not a female member of this Parliament who
would not have had some dealings with that group.
It has been indefatigable in its dedication and in
performing its task.

The trust will have a challenging but wonderful role
to play. The centre obviously has to be worthy of the
women who set up the hospital 100 years ago. It
surely has to be a place where women from all over
the state, regardless of their cultural background
and whether they are city women or country
women, will feel welcome. It must be a place that
is welcoming and accessible. The legislation talks
about the centre being a place of rest with meeting
rooms and other services and facilities for women,
and I hope there is a particular emphasis on women
from the country.

If I had a wish list for the centre I would want to see
that all the space there was used imaginatively and
productively. I would like to think there could be
some emphasis given to arts and crafts. As the
minister would know, wonderful craft work done by
women is being held in collections around the state,
particularly craft done by women from non-English
speaking backgrounds, which has probably been
collected in the respective communities. If one
thinks of some of the work done by Italian women in
Australia one will realise that many of those crafts,
such as lace making, are now dying out and may
never be seen again either in this country or in
Europe.
I would love to think that some of those things had pride of place in the centre. Perhaps a small corner could be allocated for various exhibits or for a permanent exhibition. Perhaps there could also be a small shop to sell some of the craft and work produced by Victorian women.

It is also important that there is some recognition of the fact that ours is an ageing society, thus there should be a full range of health information available for older women. As we start this decade an often confusing plethora of health information is available. It would be extremely good if women felt confident about the kind of information they could get at a women's health information service. However, obviously the centre must be accessible for younger women, older women, women with disabilities and women from all cultural backgrounds. It would be wonderful if there could also be a woman writer-in-residence from time to time.

I understand the importance of the financial viability of the centre and I know that the trust will have much work to do there. It is suggested that a 1990s equivalent of the shilling appeal might raise some badly needed funds. Perhaps that is something to look forward to. I do not underestimate the difficulty that may be experienced from time to time in ensuring that the centre is viable. I have no doubt that as well as ensuring viability the trust will make sure the space available is used wonderfully well with the interests of women in mind.

Were I to begin to name the women who have assisted over the past 10 years both in persuading the government of which I was a member that something needed to be done working right up to this last part of the legislative process, I know that I would mention a handful of women and leave all the others out. That would not be fair. However, I wish to mention three women.

The first is Lecki Ord, a former Lord Mayor of Melbourne and the woman who has chaired the community committee for a long time. As I said earlier, she kept so many of us on our toes by reminding us that the Queen Victoria Women's Centre had to be a completed project.

I also acknowledge the enormous amount of work done by a former member of this house, Mrs Gracia Baylor, who at various points along the way played a crucial and strategic role, if I can put it that way.

I also wish to mention Joan Kirner. When Joan Kirner was Premier and Minister for Women's Affairs she had the opportunity of making certain that we got the issue of the Queen Victoria centre right. Until then all the dealings had been centred around the eastern tower and it was her enthusiasm, energy and drive which enabled the project to be moved to the central tower, the most appropriate tower, and which provided the springboard for the legislation which the Minister responsible for Women's Affairs in another place has most successfully produced.

Many women played a variety of roles from the 1880s to the 1990s. The Queen Victoria site occupies a special place in the hearts and minds of Victorian women. With this legislation we are making certain that that role is remembered, honoured and that for the next century it will be celebrated in the most appropriate way — in a way that would have pleased Dr Stone and her original committee.

Debate interrupted pursuant to sessional orders.

Transport: strategy for Melbourne

Hon. D. R. WHITE (Doutta Galla) — The Minister for Roads and Ports would be aware of statements by Mr Jack Smorgon on behalf of the Committee for Melbourne concerning what Mr Smorgon described as the urgent need for a set of roadworks and transport connections to ensure that Melbourne retains its place as the transport hub of Australia.

I ask the minister the following question in two parts: does he share the view expressed by the Committee for Melbourne that without a major transport strategy for the port of Melbourne we will lose our competitive position as the transport hub of Australia; and to what extent is he prepared on behalf of the government to cooperate with the Committee for Melbourne in developing that strategy, or is it, as implied in an article in the Herald Sun, the government's preference to proceed with a strategy independent of the discussions being sought by Mr Smorgon on behalf of the Committee for Melbourne?

Hon. W. R. BAXTER (Minister for Roads and Ports) — I have a good deal of association and liaison with the Committee for Melbourne and
particularly with Mr Jack Smorgon in his capacity as chairman of that part of the committee that has a particular overview and interest in transport in metropolitan Melbourne in particular and in Victoria as a whole.

I attended a meeting of the committee at a special briefing organised by Mr Smorgon at his business premises. I value the input that he and his colleagues have been making. There is currently a hub strategy being compiled within the Department of Transport with input from federal instrumentalities and from organisations such as the Committee for Melbourne, the Royal Automobile Club of Victoria, the Victorian Road Transport Association and numerous other organisations and groups interested in the strategy.

I agree with Mr Smorgon that if Melbourne is to be the hub port of the nation — I believe that it already is and can remain so — we clearly need a strategy that links the various modes of transport effectively and efficiently to the port of Melbourne and to our other ports. Hence the government is keen to get on with linking our freeway systems and, in particular, constructing the Western bypass, which will immeasurably improve links with the port of Melbourne, and with building the southern link because so many of the goods that go to and from the port are either destined for or originate from the rapidly growing south-eastern metropolitan area. Clearly the southern link is vital as a transport measure.

Also, the government has been involved with the federal government under its One Nation program with building the dock link road that provides a direct connection with the South Dynon rail yards and Swanson Dock for overweight containers. That is working exceptionally well.

Other investigations are currently under way to improve other links to the docks. I expect that the transport hub strategy, which will be released some time next year, will materially enhance Melbourne’s reputation as the transport hub of this nation.

Local government: postal voting

Hon. BILL FORWOOD (Templestowe) — Will the Minister for Local Government inform the house of the experience of postal voting in local government elections in Tasmania and New Zealand and how the process has enhanced participation in local government elections?

Hon. R. M. HALLAM (Minister for Local Government) — I thank Mr Forwood for his question and appreciate the opportunity to rebut some of the ill-informed criticism expressed yesterday by members of the Labor Party in the debate that took place.

We heard all sorts of conspiracy theories and a whole range of scenarios, none of which was evenly remotely connected with the issue before the house. The Victorian government is simply offering postal voting as an option to local government in this state. I suspect it may be adopted widely in rural municipalities.

The question of whether the voting is conducted by postal means or through a polling place has no impact on the question of whether voting should be compulsory. That was simply a red herring that was raised by opposition members.

There are two bodies of experience, New Zealand and Tasmania, to which I can refer. The New Zealand government has recently moved to postal voting. In Tasmania the decision was taken on the basis that postal voting would be compulsory. I have some reservations about reading too much into this experience because voting itself is not compulsory, but at the same time the government removed the ward system.

However, in general terms, there is no doubt that the postal voting option dramatically improved the participation rate from 33 per cent to 55 per cent. It is too early to call the shots in terms of costs, but there was a dramatic increase in voter turnout.

Conventional elections in New Zealand were held in July 1983 on a compulsory basis and turnout at the last election held under those conditions was 30 per cent. In 1986, the first time postal voting was conducted, the turnout had doubled to 60 per cent.

Hon. T. C. Theophanous — They do not have a compulsory system. The analogy does not hold up. You may as well have said nothing.

Hon. R. M. HALLAM — Yesterday in this place the other issue raised was the support for non-English speaking voters. The experience in Tasmania and New Zealand shows that people by and large appreciate the fact that they can vote in the privacy of their own homes and seek support from — —
Hon. T. C. Theophanous — How would you know?

Hon. R. M. HALLAM — Because I have talked to authorities from both locations. There is a great deal of evidence to suggest that under postal voting security can be improved. The latest system in New Zealand includes a zip code on the voting form which can establish the authenticity of the voting process and can also authenticate the voter. There is substantial evidence that security of the system has improved with that process.

With the new form of voting there may be a reduction in candidate costs with a standardised form of candidate’s message being circulated with the voting card. Potential candidates under the previous system might have been put off by the likely cost.

There may be a whole range of circumstances in which postal voting is appropriate and positive, and we see no problem with offering it as an option to councils. The Labor Party has been jumping at shadows.

Local government: amalgamations

Hon. B. T. PULLEN (Melbourne) — I direct my question to the Minister for Local Government. Many people are surprised that the Borough of Queenscliffe, with a population of less that 4000, has succeeded in opposing amalgamation when all other councils, some with much larger populations, that have resisted amalgamations have failed. Will the minister advise the house whether the fact that council complied with the government’s wishes and did not press for an environment effects statement for the Peninsula Searoad Transport terminal was a factor in the borough’s survival as a separate municipality?

Hon. R. M. HALLAM (Minister for Local Government) — I am delighted to have the opportunity to respond to that question. The answer is emphatically no.

Raiders of the Lost Archives exhibition

Hon. G. R. CRAIGE (Central Highlands) — Will the Minister for the Arts inform the house of the Raiders of the Lost Archives exhibition that is currently touring regional Victoria?

Hon. HADDON STOREY (Minister for the Arts) — I thank the honourable member for his question because he at least shows some interest in the heritage that our country communities have. As honourable members would know, the State Library is one of the greatest repositories of Victoria’s heritage. It contains many important documents, prints and maps of our past that are immensely interesting and informative.

Many country historical societies, small museums and donors find it difficult to get access to this material and to be able to sort through the amazing amount of material that is available. Many have been seeking additional information on heritage matters in their own local communities. The State Library of Victoria has met these needs by establishing a travelling exhibition called Raiders of the Lost Archives: Searching for Australia’s Vanished Peoples and Places. The aim is to make Australia’s heritage more accessible to rural Australians by assisting rural communities to have access to this sort of material, and it is developing new ways of encouraging local communities to access their own heritage. The Raiders of the Lost Archives is a way of presenting heritage material and issues in an exciting and interesting way, playing on the theatricality of the Raiders of the Lost Ark series of films that Mr Craige has undoubtedly seen.

There is an ark or treasure chest located in the centre of the exhibition which contains copies of historical items, mocked-up items and other information. The displays themselves are well presented on stone-like bases, rather like an abandoned mine. The text panels are short and written in a popular and dramatic style to stimulate people’s interest in history.

Raiders of the Lost Archives is structured around three main themes: ruined buildings and shipwrecks, missing persons and lost environments. The presentation of the themes is varied from venue to venue. The exhibition has already toured to Orbost and is now visiting Port Fairy. The exhibition at Port Fairy has been assisted by the historical and genealogical societies, which are holding complementary exhibitions of many local documents and conducting workshops. The State Library will also be conducting a seminar on how to use archive services.

After Port Fairy the exhibition will be going to Horsham and several towns in New South Wales and Queensland, so we are exporting our cultural heritage. The exhibition will be touring many other towns in the next two years, and I believe it will be of great assistance to rural Victoria. I commend the
QUESTIONS WITHOUT NOTICE

1220

COUNCIL

Wednesday, 7 December 1994

initiative, and the dedication of the State Library of Victoria and its field historian, Sue Hodges, for responding to the needs of country Victoria in a rather innovative and exceptional manner.

Winchelsea City Council

An Honourable Member — Have you opened your office today, David? Come on!

Hon. D. E. HENSHAW (Geelong) — The honourable member might be interested to know that my electorate officer has returned from recreation leave.

Honourable members interjecting.

Hon. D. E. HENSHAW — My question is directed to the Minister for Local Government. The former democratically elected Winchelsea council voted to pursue debts arising from non-payment of rates in respect of Lorne’s Cumberland Resort. The minister is aware that the commissioner of Surf Coast Shire has overturned that decision by agreeing to waive $50 000 of that debt owed by Cumberland Resort. Notwithstanding the concern shown by the minister in his rushed trip on 17 February last to meet with some Winchelsea councillors, what assurance can he give that Surf Coast small business community and the increasingly drought-affected areas of the shire that the David Marriner related Cumberland Resort project did not receive preferential treatment?

Hon. R. M. HALLAM (Minister for Local Government) — The honourable member is actually testing my memory somewhat, but there are two things that I would challenge in the way that he framed the question. The first is the inference that a decision had been taken by the previously elected Winchelsea council. My recollection is that the issue was put in the too-hard basket by the elected council and was left unresolved. Indeed, as I recall, the council wrote to the company and apologised for the fact that it was not able to resolve the issue.

The second thing that I recall as being inaccurate in the way the honourable member framed the question is that the issue does not relate to rates at all but to — —

Hon. D. E. Henshaw — I didn’t say rates! Debts!

Hon. R. M. HALLAM — I thought you said rates.

Hon. R. M. HALLAM — In any event let me make the point in any event.

Hon. Pat Power — Even if it’s not relevant.

Hon. B. N. Atkinson (to Hon. Pat Power) — You might not have written the word ‘rates’ but he said the word ‘rates’. Perhaps he should read it more carefully!

Hon. R. M. HALLAM — I thought I heard the honourable member talk about rates, however I shall make the point that the debt in question relates to a penalty for non-payment of rates a long way back. I believe it goes back to the mid-1980s. I also make the point for the benefit of the honourable member that I am not sure what decision has been taken, but what the commissioner has contemplated doing represents exactly the same opportunity that was available to the council. But the council was unable to reach a decision and, as I recall again, it wrote to the company and apologised for not being able to resolve the issue. Let me make this point. The property in question is a substantial property, albeit it has been a very contentious property over a number of years, and of course it would attract a great range of sensitivities. But I believe that the debate has long since passed and the commissioner who acts for the council — nothing more nothing less — is perfectly entitled to make a judgment about the collection of debts which now go back several years. I will leave it to her judgment as to how it would be best resolved.

Mount Eliza Regional Park

Hon. S. de C. WILDING (Chelsea) — Can the Minister for Conservation and Environment advise the house of steps taken by the government to create new open spaces close to Frankston, Flinders and Hastings?

Hon. M. A. BIRRELL (Minister for Conservation and Environment) — I am pleased to advise the house that the Mount Eliza Regional Park was recently opened, and I was pleased to officiate at that ceremony. It is a great new park on land that includes areas of flora and fauna significance. The park also includes an area that was a former tip site. By bringing together this public land under the guidance of our outgoing municipalities, we have been able to create a major new green asset on the Mornington Peninsula.
The park will progressively develop over the coming years to reach a size of 108 hectares, as outlined in the park's master plan. The park includes the Moorooduc quarry flora and fauna reserve, Victory Reserve, the Emil Madsen Reserve and the former Mount Eliza tip site, and all of those areas will be transformed into a highly attractive visitor and educational area.

I have visited the area a number of times and I commend the councils for their effort in pulling together what is a very difficult project, which has been funded by Melbourne Parks and Waterways.

It is proposed to link the various elements of the park with a multi-purpose trail. The Melbourne Water pipeline reserve and the adjacent railway reserve create a continuous park link from the Madsen Reserve through to the quarry reserve area.

The first part of the Melbourne Parks and Waterways monies was used to create a spectacular new lookout, which features stunning views of the peninsula and the open space surrounding the park. It is an area of significant vegetation; it will certainly be a major tourism asset for the whole Mornington Peninsula.

The government is more than happy to continue helping the local community in its endeavour to translate its vision for the park into reality.

In addition to opening the park and the new lookout, I unveiled a commemorative plaque acknowledging the work of Anne Read, someone who anyone on the peninsula would know has been a tireless conservationist who has worked to ensure that this area, since she enunciated vision in the early 1960s, was turned into a park. Unfortunately she was ill and unable to be present herself, but certainly all of the people who were there wanted to commemorate her contribution as a symbol of what local people can do when they want to turn graded areas into great new parkland for future generations.

Shire of Moorabool

Hon. PAT POWER (Jika Jika) — I direct my question to the Minister for Local Government. The minister would be aware that the Moorabool ratepayers association has rejected the decision to include Bacchus Marsh. The Shire of Moorabool was formed in May this year, and the minister would be aware of when the shire was created. I point out that the community was given assurances that restructure was complete and the new shire would remain intact. I ask the minister whether he can confirm that when a recent deputation of Moorabool ratepayers met with him that he was able to give them an assurance that he would act so that Bacchus Marsh was not amalgamated with Moorabool in the final decision?

Hon. R. M. HALLAM (Minister for Local Government) — I thank the honourable member for his question, and he would not be surprised to hear me say that what I discussed with the representatives from the Moorabool ratepayers association was discussed in confidence, and that is the way it should stay. I take this issue very seriously indeed. For the record, I did not meet the Moorabool ratepayer association in isolation. I met with a delegation that comprised representatives from other organisations.

Hon. Pat Power — The Ballan Liberal Party.

Hon. R. M. HALLAM — Not including the Ballan Liberal Party, Mr Power. I gave the delegation an assurance that I would seriously consider all the issues that were raised with me, and I will stand by that. In fact, I am currently framing a recommendation for cabinet and I can reinforce the fact that all issues that have been raised will be very carefully considered.

Tullamarine airport: rapid transit link

Hon. G. B. ASHMAN (Boronia) — I refer to the recent newspaper reports concerning transport and rapid transit links between Tullamarine airport and the central business district and ask the Minister for Roads and Ports to indicate to the house the government's intentions in relation to those projects?

Hon. W. R. BAXTER (Minister for Roads and Ports) — As Mr Ashman says, a rapid transport link from the CBD to Tullamarine airport has been the subject of considerable interest in the media and the community for several weeks. That is understandable as we move forward with the Melbourne City Link project which includes, among other things, improvements to the Tullamarine Freeway.

Naturally those people interested in public transport — I think that is virtually every person in the community — are keen to see whether it is viable to provide a heavy rail, light rail or some other high-technology public transport link to Tullamarine. Certainly the government has not ruled out such an option and is most interested in
examining any options that might be put forward. However, a number of aspects need to be borne in mind. According to our origin and destination surveys of those using the Tullamarine Freeway, congested as it is, only something over 15 per cent of the traffic is destined for Tullamarine airport or originates from there. The freeway is used substantially by motorists and commercial vehicles going to places other than the airport.

It needs to be borne in mind that a public transport link must provide for two sorts of passengers: the international visitor and the interstate business visitor, but it must be remembered that it is the metropolitan catchment area for domestic air travellers, meeters and greeters and airport workers that is likely to provide the greater catchment.

A study currently being undertaken and a cabinet subcommittee chaired by my colleague the Minister for Planning and of which I am a member is looking at the metropolitan strategy. The committee is studying various options in association with the federal government, which is providing some of the funding, including an airport rail link as a transport need, at least in the longer term if it cannot be justified in the short term.

In the meantime the government has resolved to proceed with an express bus-taxi lane on the Tullamarine Freeway to provide short or medium-term relief. That will enable an express lane for passengers going out to Tullamarine and will also enable in the longer term additional capacity for commercial vehicles. The government is insisting on retaining the concept of a metropolitan heavy rail link as a medium to long-term option; it is certainly looking at the high-technology options.

I must say that all the rail link proposals that have thus far been put forward and examined have lacked financial viability and/or practical feasibility. Nevertheless, reviews are continuing on the economic and financial feasibility of any rail link proposals which come forward from the private sector. Importantly the government has taken steps to avoid any commitment in the City Link process which would prejudice a rail option in the long term. As I said, these studies are currently under way and they will reach conclusion in mid-1995.

It should be said that those who find a rapid transit link or a rail link to Tullamarine appealing need to be reminded of the diverse freight movements that occur in and around metropolitan Melbourne as a result of the surrounding industries, particularly those located near the airport, the Dandenong area and elsewhere. Freight needs rapid access via road transport in this age of just-in-time inventories.

It is not viable to distribute freight via the suburban rail network. Similarly, it is hardly practical to have some sort of modal exchange from the port to Tullamarine and then to deliver goods by road. It would be better to go directly from the ports to the particular factory by road in the first place. Clearly we need an efficient road network to do that. Nevertheless there is absolutely no intention on the part of this government to rule out a rapid transit link by heavy rail or whatever other means to Tullamarine.

Payroll tax

Hon. C. J. HOGG (Melbourne North) — I refer the Minister for Tertiary Education and Training to the annual report of the Department of Education which indicates that expenditure on payroll tax rebates for apprentices and trainees was 25 per cent lower than expected. I ask the minister why the rebates are significantly lower than anticipated?

Hon. HADDON STOREY (Minister for Tertiary Education and Training) — I would think the clear answer is that there are fewer apprenticeships in this state, a situation which I am very pleased to say has changed as they are now increasing. I have not examined the figures and am unable to give a definitive answer on it, but I will look at it and provide an answer in due course.

The annual report Mrs Hogg referred to was for 1993-94 and apprenticeships were down in that year. There were fewer apprenticeships in 1993 than the previous year, and that may well account for it.

It is also a feature that payroll tax rebates apply only to those employers who actually pay payroll tax. Apprentices taken on by small employers would not result in claims on payroll tax rebates. There may be a number of factors, but I will certainly have a look at the matter and inform Mrs Hogg.

Community Visitors

Hon. ROSEMARY VARTY (Silvan) — Will the Minister for Aged Care respond to the recently tabled annual report of the Community Visitors program?

Hon. R. L. KNOWLES (Minister for Aged Care) — The Community Visitors program is an
important mechanism to try to ensure that the rights of residents of supported residential services are respected and that there is an increase in the standard of those facilities.

Many members will be aware that this is a significant provision of residential care with approximately 8000 bedrooms available. Members will also be aware that in the past there has also been a wide variation in the standard of care from very good to quite appalling. That has been the subject of much debate and discussion over a period of time. It is important to pick up what is said in the first paragraph of the 1994 annual report of Community Visitors:

From the residents' point of view, some clear improvements have been noted by Community Visitors. The main improvement is that it now seems that the Department of Health and Community Services (DH and CS) is taking more seriously the enforcement of the Health Services Act 1988 and Health Services (Residential Care) Regulations 1991 in Supported Residential Services (SRSs).

It is important that the regulations that have been promulgated are in fact implemented. The report acknowledges that most of the services are well run and provide good quality care and accommodation, but there is still a significant minority of facilities that do not provide good care. The department has recognised that to be the case during 1993-94 and took a number of actions to insist on the regulations being implemented.

As a result of those actions 2 proprietors have been deregistered; 2 renewals of registration have been refused; there have been 33 short-term registrations, which were provided because there were concerns about the registrations; conditions have been placed on 14 registrations; 4 administrators have been appointed; 3 proprietors have been prosecuted; and 9 legal briefs have been prepared for prosecution.

The report acknowledges the efforts of the department in pursuing the regulations, which has had the effect of raising the care and accommodation standards of the worst performing facilities. These actions have been welcomed by responsible providers, particularly by the peak organisation which has always been keen to lift the standards.

The report recognises that disposable income is a major concern not only for supported residential services residents. There are many groups whose income is at the poverty level. However, it must be recognised that income security policy is fundamentally a commonwealth responsibility, and the state has never seen its role as supplementing the inadequacies of the social security system.

The report expresses concern that some residents do not have a complete or effective residential standard or service plan. The development of this initiative for each individual resident has been seen as important in ensuring that the proper level and standard of care is provided for each resident. The department recognises the importance of those documents. The majority of residents have residential statements and service plans, and nursing advisers to the department encourage proprietors to review the documents to make them more effective tools in developing quality services for residents. In 1993-94 three proprietors were prosecuted for not having service plans and one was prosecuted for not having residential statements for residents.

Community Visitors have pointed out the need for ongoing training of staff, and the department has undertaken to conduct quarterly two-day seminars for prospective proprietors which cover the skills and knowledge required of proprietors. The Association of Supporting Care Homes and the Box Hill College of TAFE will conduct these courses.

The report notes that Community Visitors have advocated on behalf of residents living in supported residential services on a variety of issues. It is important to see that there has been an improvement in this area, and the department will continue to work with the industry to ensure that the regulations are complied with and that there will be a continuing improvement in the quality of life of those who live in supported residential services.

QUEEN VICTORIA WOMEN'S CENTRE BILL

Second reading

Debate resumed.

Hon. ROSEMARY VARTY (Silvan) — It is with a great deal of pride and as a matter of honour that I speak in support of this bill, which will result in the provision in perpetuity of a tangible landmark for the women of Victoria. The Queen Victoria Women's Centre Bill is the culmination of a long and sometimes tortuous process and it is a fitting recognition of the efforts of the 19th century pioneering women, which will be carried on in this
government's commitment to maintain the central tower of the Queen Victoria hospital site as a women's centre to be managed by women.

The bill brings to reality an idea that acknowledges the work of the pioneering women of the 19th century to create a women's centre central and accessible to women's organisations across the spectrum. I thank Mrs Hogg for her comments, but I think she left out one vital ingredient: the fact that the previous government was not prepared to preserve one of the towers. If it had not been for the efforts of women in the then opposition parties the tower would have been lost. Through the work of Honourable Jan Wade, Gracia Baylor and Lecki Ord —

Hon. G. P. Connard — And you, Mrs Varty.

Hon. ROSEMARY VARTY — Thank you, Mr Connard. Through the work of those women the tower was saved. The Cain government was prepared to demolish all the buildings on the site and the building would have been lost forever.

The origins of the Queen Victoria hospital are worthy of retelling and I will deal briefly with that history. My colleagues Mrs Wilding and Mr Hall will deal with the need for the centre. Mr Hall will deal also with the need rural women have for the centre.

In an article in the Technical Teacher Magazine of 28 July 1989 Suzy Rea encapsulates the early history:

In 1896 Dr Constance Stone, the first woman to practise medicine in Australia —

as Mrs Hogg pointed out, Dr Stone had to go overseas to be trained because she was not able to be trained in Australia —

and nine other women doctors established a women's outpatients' clinic in a small church hall in Melbourne. Unable to gain support for a women's hospital from government or private sources, a public meeting was called and the 'Shilling Fund' was launched —

in those days a shilling was a considerable amount of money. While the types of women who contributed covered a broad spectrum, many of them were very poor. However, they were prepared to contribute a shilling —

Every woman in Victoria was asked to donate one shilling to go towards establishing a women's hospital to be run on feminists principles, i.e., for women, by women.

The success of the Shilling Fund led to the opening of the Queen Victoria Memorial Hospital in Little Lonsdale St in 1899. It was only the third hospital in the world to be run by women for women.

During debate on the Land (Miscellaneous Matters) Bill the Honourable Marie Tehan is quoted in Hansard of May 1989 as saying:

That hospital became known for its work for women and women's health. It was far ahead of its time in the way staff and patients were treated.

For the first time in Victoria, nurses were paid during their training.

That was very important for the women of Victoria. When the hospital was established in Little Lonsdale St it had a freehold title. That is the link between that period and the reason it was vital to retain the tower. At that time the hospital board owned the land. In 1946 when the hospital was moved to Lonsdale St — the site we are talking about — the government changed the freehold title to a permanent reservation, which meant that the land could be used only for the purposes of the Queen Victoria hospital.

It was first announced in 1973 that there was a plan to move the Queen Victoria Hospital from the site in Lonsdale Street to Clayton. By 1977 the hospital had amalgamated with McCulloch House and the Jessie McPherson Community Hospital to form the Queen Victoria Medical Centre. As we all know, by 1987 the amalgamation was announced of the Queen Victoria Medical Centre, Prince Henry's Hospital and Moorabbin Hospital to form the Monash Medical Centre. The move to Clayton was the final move of the Queen Victoria Hospital.

The Queen Victoria Medical Centre was finally established on the Clayton site in 1988, where it is still located as part of that very large new centre. After 1987 most of the buildings on the hospital site in Lonsdale Street became derelict and by 1989 many of the buildings had actually been demolished.

The Cain government introduced legislation in 1989 to revoke the permanent reservation on that site in order to sell the whole site to finance library and museum improvements. That was when the various women's groups swung into action to make sure the
decision taken by the Labor caucus to demolish all the buildings on the site was overturned.

The Labor government's decision to sell the site prompted a number of women to join together. One small group known as the Constance Stone Collective started the task of campaigning in the early 1980s. I suppose it was the first group of people to alert the women's organisations to the possible loss of the site. The Queen Victoria Hospital Action Campaign — a group of women across the broad spectrum of the women's movement — got together to arrange meetings and petitions to challenge the legality of the proposal and whether those pioneer women in the 1890s had raised the money for themselves and for us or whether the government of the day had the moral or legal right to sell the site.

I attended a number of those meetings and I must say they became very heated because it was clear that, although all the women were keen to retain the site, there was a degree of difference of opinion about which group should manage the campaign to retain the site. However, it was clear that everyone present at the meetings was absolutely determined to ensure that the money raised all those years ago to get an actual freehold and clear title to a women's hospital was retained, that we did not lose the right to that site and that we should be able to maintain the site in perpetuity.

In the debate on the Land (Miscellaneous Matters) Bill on 26 May 1989, as recorded at page 1268 of Hansard, the Honourable Marie Tehan paid tribute to the work of Alison Hoyer, who was a joint convenor of the Queen Victoria Hospital Action Campaign at the time, and said:

A number of positive meetings were conducted with the Minister for Major Projects in this place and with the Premier. The Queen Victoria Hospital Action Campaign felt that it was being listened to. It had indicated to me during the process of the negotiations how it was going and that it had held a successful rally over on the Treasury corner.

The campaign was confident that negotiations would proceed favourably but, unfortunately, something went wrong in one of the meetings they had with one of the Premier's — that is, the then Premier's — advisers and they began to feel that they were not going to be effective and would be unable to salvage anything from the historical and moral grounds on which they had based their claim.

It was as a result of that unsatisfactory discussion that representations were made to the National Party and the Liberal Party. As I said earlier, as a result of the pressure from the coalition, which was then in opposition, and its threatening to actually go to the extent of delaying and not passing the Land (Miscellaneous Matters) Bill — which would have meant the title to that site could not be freed up and the change of use could not be put in place — the then Premier met with the delegation and the government finally agreed to include a clause in the bill that handed over the eastern tower at that stage to allow a 200-year lease to be granted to a legally incorporated women's representative group.

I repeat: although it attempts to champion the cause of women, I must say that in that instance the Labor Party in government was prepared to let the women of Victoria down through the possible loss of that site. It was with very grave dismay in 1989 that the women in the Liberal Party realised the true position and were able to lobby to get things back on the rails.

At that time, the Honourable Marie Tehan reiterated in her press release:

Our forebears, the pioneer women of the last century, would be delighted that the work they commenced has been carried on by this generation of women.

That statement was made after we were able to ensure the amendment was put into the bill.

The terms of the agreement reached at the time are recorded in Hansard. It is important that I reiterate those terms. In the debate on the Land (Miscellaneous Matters) Bill, the then Minister for Housing and Construction, Mr Pullen, outlined the details of the agreement, which was actually signed by the then Minister for Major Projects, the Honourable Evan Walker. The agreement states:

1. The most eastern tower of approximately 1000 square metres of the Queen Victoria site will be subdivided or strata titled by the developer; the government will take a registered 200-year lease from the developer and will sublet the tower to a legally incorporated women's centre at a peppercorn rental for the same period and, if possible, register this sublease;

2. This provision to be included in the sale documentation;

3. The tower to be refurbished for occupation;
4. Open space adjacent to the eastern tower to be provided subject to location and within planning requirements;

5. The Women’s Health Information Centre will be located in the women’s centre;

6. Subject to the agreement of the legally incorporated women’s centre, other appropriate services currently funded by the government may be located in the centre and additional non-government funded women’s services may be located there;

7. That the Queen Victoria Hospital Action Campaign further develop the proposed women’s centre in conjunction with the Department of the Premier and the Cabinet; and

8. That the terms of this agreement have been signed on behalf of the government by the Minister for Major Projects and handed to the leaders of the opposition parties and to representatives of the Queen Victoria Hospital Action Campaign.

Plans for the centre were transferred from the eastern tower to the central tower in May 1992 and the deed of variation to the contract was signed in March 1994, nearly two years later and the tower and its land were excised from the remainder of the title that was to be sold to private developers. The tower is on Crown land. In December 1993 the Minister responsible for Women’s Affairs, the Honourable Jan Wade, established a ministerial advisory committee on the establishment of a women’s centre on the former Queen Victoria Hospital site to provide her with independent advice on matters relevant to the establishment of the centre. The terms of reference were:

1. To advise the Minister responsible for Women’s Affairs on the extent to which the centre is likely to be used by a broad cross-section of women including rural women and women from non-English speaking backgrounds. So far as it is able, the committee should examine existing data held by the Queen Vic. Women’s Centre Inc. (QVWC Inc.) and ensure that it has considered the views of representatives of the QVWC Inc., members of the Coalition Committee on Women’s Affairs and members of the Victoria Women’s Council (VWC).

2. To discuss with the QVWC Inc. its marketing and business plans and assess the feasibility of these plans from a business perspective and advise on other options for providing a secure financial base for the centre.

3. To examine plans developed by the QVWC Inc on the use of the centre and facilities and resources to be provided and comment on the feasibility of these proposals, taking into account data on likely users of the centre, the centre’s financial base and the costs of providing these services and facilities.

4. To examine advice from the Department of Finance on the government’s rights and responsibilities under the contract of sale.

5. To advise the Minister responsible for Women’s Affairs on agreements which may need to be negotiated with the QVWC Inc. regarding management of the centre and public accountability.

6. To provide advice on any other matters relevant to the establishment of a viable centre for the women of Victoria.

I pay tribute to the work of that committee, particularly the chairperson, the member for Mooroolbark, Ms Lorraine Elliott. That committee included women with expertise in law, finance and administration of the arts. The other members of the committee were Ms Sue Nattrass, General Manager, Vic Arts Centre Trust; Ms Elizabeth Alexander, Partner, Price Waterhouse; Ms Geraldine Adam, Manager, Price Waterhouse; Ms Janet Whiting, Partner, Corrs Chambers Westgarth; Ms Alison Moran, Solicitor, Corrs Chambers Westgarth; and Ms Rosalyn Hunt, Director, Office of Women’s Affairs.

The ministerial advisory committee reported back to the Minister responsible for Women’s Affairs and a bill to establish a trust to manage the centre was prepared. The bill contains nearly all the recommendations of the committee. Part 2 establishes the Queen Victoria Women’s Centre Trust. Clause 4 provides for the establishment of the trust, which will be a body corporate with perpetual succession. This follows the commitment of ensuring the continuation of the centre.

Clause 5 provides for the functions of the trust, which are to manage the land for the purpose of the centre, provide health information services, rest and meeting rooms and other services and facilities for women. The trust is also to provide for the centre’s management, operation, use and promotion, financial management and development to seek funding for the centre and provide information on the centre’s services and facilities. The remaining clauses of Part 2 provide the details of the appointment of representatives of the trust, the framework to be followed, including the provision
QUEEN VICTORIA WOMEN'S CENTRE BILL

Wednesday, 7 December 1994

for vacancies, pecuniary interests of members and meetings of the trust.

Clause 15 provides for the vesting of the land in the trust subject to the pre-existing limitations and conditions. It prohibits the disposal of the land or any part of it, except for a lease not exceeding five years, or the use of the land for purposes other than those of the trust without the written consent of the minister. That is an important provision.

Part 4 sets out the financial requirements. The trust will be similar to any other statutory body. It will be required to prepare annual business plans, open bank accounts, borrow and invest money and come under the provisions of the Financial Management Act. Page 18 of the report of the advisory committee refers to the financial accountability of the trust and the concerns expressed about whether the proposals put forward by the campaign group were realistic. The financial projections, as I said earlier, were run past officers from the Department of Finance and I shall quote one section from that report:

The QVWC Inc. has been well aware of the importance of generating sufficient funds to ensure that the centre would have a high degree of financial independence. After examination of the financials and the assumptions on which they are based, and after discussion with QVWC Inc. members, the committee concluded that there was a need for further investigation and research to substantiate the expected income and expenditure levels of these plans and, in particular, that a much higher level of commercial activity is required for the centre at least in the first three to five years of operation.

It is important to recognise the work done to get the legislation to the stage where it is now. A lot of ongoing work must be done not just by the trust, but women's organisations that have supported the retention of the site over a long period. The government is providing the central tower, a better building than the original tower, as part of its contribution to the vision not only of Victoria, but the women of Victoria. The government has given a commitment to refurbish the tower and provide start-up costs for the centre.

The Minister responsible for Women's Affairs said in her second-reading speech:

Its support by the government is entirely consistent with our objectives to enhance women's access to services and support, and to encourage women to meet and work to improve their opportunities and their participation in public life and decision making.

With those words I give my support to the contribution of the government to the women of Victoria and the support for the centre.

I commend the bill to the house.

Hon. S. de C. WILDING (Chelsea) — I am delighted to contribute to the debate on a bill to establish the Queen Victoria Women's Centre Trust. I shall not go into the detail of the history because Mrs Varty has done that and should be congratulated for putting on the record the detailed history behind the establishment of the centre.

We must recognise the hard-working women who over many years contributed not just to the establishment of this centre but also to the establishment of the original Queen Victoria Women's Hospital. Until recently I was not aware of the long and interesting history of the site or of the events behind the establishment of the centre. It was interesting to hear how the original hospital was funded by the shilling fund and that for 57 years it was staffed solely by females. The hospital certainly provided a great service to the women of Victoria.

I can only commend those involved with the task force referred to by Mrs Varty, which was set up by the Minister responsible for Women's Affairs in another place to obtain what the government believes is the best option for the centre, the central tower.

The Queen Victoria Women's Centre, as its name implies, will be a centre for women. It will not provide any single service in isolation, it will not be just an information centre, an entertainment venue or a place where women can get advice; rather it will be all this and more, something of an oasis where all Victorian women will feel comfortable in going to — a place where they can seek refuge from the hubbub of the city. It will be a place for all women of Victoria regardless of their race, colour, creed, ability, political point of view, age or even social standing. Women will be particularly comfortable there.

I can explain a little of the way a person who is neither from the city itself nor from the country but who lives on the outskirts of the city feels about coming into the city. Until I was elected to Parliament I could count on one hand the number of times I had come to Melbourne. I came to Moomba
once, I came up to see the Myer windows once at about 1.00 a.m. because I knew that was a time when I could park and the traffic was not going to be too frightening, and my husband and I had come to Melbourne some 28 or 29 years ago to purchase our engagement ring. Even my mother only came to the city once a year to do the Christmas shopping. Melbourne was a big city and an unknown place.

In the past many people who lived where I come from — the Mornington Peninsula — were not aware of what was available in Melbourne unless they were familiar with the city. Families with young children did not want to come to the city if they did not know of a place to go to feed or change the baby or to get a cold drink if necessary without having to queue up or get into the hassles of a big city. The city was certainly not a place for women with families to visit unless they had a very good reason. The city was frightening, probably because it was unfamiliar.

People had heard about the horrible hook turns that motorists have to make at major Melbourne intersections. If one is not used to them they are frightening because if you do the wrong thing you can be sure other motorists will tell you so. Often you are in the middle of an intersection and do not understand what you are doing wrong because all you want to do is turn right. It is frightening for people who are not used to the city. It was certainly stressful for people from my area to come to the city and more so for people with young children who were happier in their familiar surroundings of supermarkets and shopping centres.

The current focus is on the revitalisation of Melbourne, including the development of the wonderful and vibrant Southbank with its theatres and restaurants. People now want to come to Melbourne; life has changed and many people now want to come to the city more often. The establishment of the Queen Victoria Women's Centre will be a great contribution to the welfare of Victorian women. They will know they have an oasis or safe place to go, a place where they can obtain information and advice in an environment that will make it much easier for them.

The project has a positive feel. It is not something to help desperate women in desperate need or in tragic circumstances. The centre will be there to provide happy things and to provide a positive aspect for women coming to the city. It will be a place where women will go because it is a place they want to go to rather than a place they need to go to. That will be the vital difference.

I welcome the establishment of the Queen Victoria Women's Centre. I look forward to the 1996 opening date — 100 years after the establishment of the Queen Victoria Women's Hospital — as an opportunity for the centre to open. I commend the bill to the house.

Hon. P. R. HALL (Gippsland) — It is a privilege and pleasure for me to support the bill, which is designed to provide for the establishment of a women's centre on the site of the old Queen Victoria Hospital, with the expectation that in the not too distant future we will also see the establishment at the centre of a medical service specifically for women.

Mrs Hogg and Mrs Varty gave a detailed history of the site and the establishment of the centre. I learnt a great deal from that interesting and fascinating history. I wish to talk about the centre from the perspective of country women and how it can be a great asset and benefit to women in country Victoria.

As other speakers have said, and as is stated in the second-reading speech, the centre is for all Victorian women. However, it can be a great centre particularly for country women who have different needs because of the areas in which they live. The National Party has a great interest in the centre and in the needs of women from country Victoria and has been involved with the project for some time. Mr Evans has advised me that he has personally been involved in the project from when it was first talked about in the late 1980s and that he was involved in the legislation that provided for the retention of the site for use as a centre.

As the party representing country Victoria, the National Party has a great interest in women's affairs.

Hon. D. T. Walpole — Why aren't they in the Parliament?

Hon. P. R. HALL — Why do you not have women representing country Victoria?

Hon. D. T. Walpole interjected.

Hon. P. R. HALL — We represent all women in country Victoria, not just National Party women. In relation to this legislation and women's issues in general I am indebted to Leonie Cameron, one of my
constituents who lives at Noorinbee, for providing me with advice from time to time on a range of women's issues and the needs of country women. Leone serves on the Victorian Women’s Council, which was established by the Minister responsible for Women's Affairs, and is in a position to provide the council with a perspective on the needs of country women.

Noorinbee is a small settlement just north of Cann River, which is about a 5.5 hour drive from Melbourne if you don't stop. Most people would regard a trip to Melbourne as a day trip, but for many country women coming to Melbourne often involves staying overnight. Mrs Wilding described the daunting prospect of coming to the city for women who live on the outskirts of Melbourne. It is even more daunting for women from isolated rural areas who are required to stay in the city for more than a single day.

Country women come to Melbourne for a variety of reasons: for medical appointments, professional appointments, to attend conferences or perhaps a shopping trip. Women are now involved in a whole range of administrative matters. Their requirement to come to the capital city is frequent these days. I believe the Queen Victoria Women’s Centre will provide a whole range of benefits, opportunities and security to country women when they come to our capital city. It may be just a place for them to rest and refresh between appointments during the course of the day. It is somewhere they can feel safe and secure, to meet other people, have a cup of tea and something to eat.

Importantly, the centre has the potential to provide an information base that will benefit country women, give them information on health, accommodation, education, housing and community services and bring them into contact with other women’s groups. The centre may simply be a place for country women who have time to spend while in Melbourne and they can browse through the library or watch some television. Country women are often required to stay in Melbourne overnight. Sometimes when women come to Melbourne by public transport they have to wait some hours to catch an early evening train or bus back to their home and they have time to spare.

The centre offers them a safe and secure environment in which to spend those couple of hours. It may also provide them with the opportunity of attending conferences and subjects of concern to women in general. It may be simply a place where they can leave their luggage and go shopping or do other business required during the course of the day.

Mrs Hogg made an eminently sensible suggestion that the centre could become an area where artworks by women can be displayed. As she would know, because she often visits the country and is a strong supporter of country women, we have some artistic and creative country women. If an exhibition of some of their works at the centre could be shown it would fulfil a need that country women have to gain greater exposure.

It was nice to see in Queen’s Hall last week the work of Annemieke Mein, a Sale-based artist. Her work in textiles was a fabulous exhibition and I trust most members had an opportunity to view her work. I think an art display centre at the Queen Victoria Women’s Centre would give an opportunity for country women involved in the arts greater exposure in the work they do.

I see it not only as a centre for the benefit of country women when they come to Melbourne but also it can benefit them at home: they can make contact by way of telephone, fax or even computer linkages to the centre with other women to help them learn or gain information about a whole range of areas. It will give country women a central point to which they can direct their inquiries and gain information about matters concerning them.

In the future it will also provide a facility for country women to have contact with other country women in isolated parts of Victoria. It will play a facilitating role in bringing country women’s groups and country women individually together to discuss their particular interests. In many ways the establishment of the centre will be of great benefit to all women in Victoria with particular emphasis on assisting country women.

As the minister indicated in the second-reading speech, the establishment of the Queen Victoria Women’s Centre is:

... entirely consistent with our objectives to enhance women’s access to services and support, and to encourage women to meet and work to improve their opportunities and their participation in public life and decision making.

I know that admiral objective is shared by the opposition. The establishment of this centre will facilitate the achievement of that objective for all
women of Victoria. Speaking on behalf of and from the perspective of country women, I add my strong support and endorsement for the establishment of this centre.

Motion agreed to.

Read second time.

Third reading

Hon. HADDON STOREY (Minister for the Arts) — By leave, I move:

That this bill be now read a third time.

In so doing, I thank the honourable members who have made a contribution to the second-reading debate, in particular Mrs Hogg and Mrs Varty who made interesting comments on the bill, and also the contributions made by Mrs Wilding and Mr Hall. I am sure all honourable members will be pleased when the trust is appointed and the building is open for the purpose that all honourable members support.

Motion agreed to.

Read third time.

Passed remaining stages.

VOCATIONAL EDUCATION AND TRAINING (STATE TRAINING WAGE) BILL

Second reading

Debate resumed from 30 November; motion of Hon. HADDON-STOREY (Minister for Tertiary Education and Training).

Hon. C. J. HOGG (Melbourne North) — I suppose every generation believes the changes that one has to live through are without parallel. Perhaps there have been static periods in recorded history and perhaps we can nominate the dark ages as one such period, but modern literature would suggest that life is about change and upheaval and that it leaves winners and victims in its wake.

There can be no doubt that white settlement in Australia caused fearful traumatic change for the indigenous population, as did, I think, all colonial expansion. There can also be no doubt that within settled developed societies the industrial revolution brought with it changes that one could learn by rote but never quite feel when studying this topic at school.

It is only over the past 10 years that we have witnessed the decline of an industrial society, or the kind of industrial society we thought we knew, where we can feel the enormous change that is blowing around us. I guess then the other great social changes of the past come back into clearer focus.

Towards the end of the 1970s we began to see the manifestation of change affecting our industries. Perhaps the first Japanese car we saw on our roads more than a decade earlier was the most potent symbol of change. Certainly in the 1980s we have witnessed structural industrial change in the most widespread and perhaps deepest way.

Such changes affected the face of manufacturing industry in Victoria, in particular in the area that Mr Nardella and I represent, where it has changed it forever.

In the 1980s we saw the scaling down and/or the closure of factories and firms that had seemed as though they would be with us for the next couple of centuries. We saw thousands of people lose jobs that seemed secure and a generation of young people who expected to go into industries like the ones I have mentioned suddenly found themselves without jobs.

In the late 1980s there was great despair in the industrial and manufacturing areas of this state. The northern and western suburbs of Melbourne, the Latrobe Valley and Geelong, to mention but three or four areas, were communities of great despair because industries that should have been refurbishing and re-skillling and becoming competitive during the good times simply failed to make it through the bad times.

A recession, the changes to the tariff barrier, and enormous changes within our trading region led to very large numbers of people being out of work. Many are middle-aged and many of them in our electorate are from non-English speaking backgrounds. That presented a huge challenge for government. Many of the people out of work were young school leavers without training and without skills. Just as Australian industry has had to make physical changes to be competitive, so too does our work force. In the past low skilled jobs were easily available. Many people left school at 14 or 15 to go
straight into the work force and nobody expected to be retrained. That was true at the time that I was at school in the 1950s where very many of the students that I went through school with simply left at the age of 14. They left school one day and got a job the next day, and it never crossed anybody's mind that there would be further education or retraining needed for them to remain in the work force.

Now people are looking at being retrained perhaps several times in their working life because of the revolution in technology and because the way work is done today has changed all our lives forever. The commonwealth government's white paper says the following:

In the mid-1960s nearly 60 per cent of 15 to 19-year-olds had full-time jobs and under a quarter completed a full secondary education. Today, less than one in five teenagers holds a full-time job but more than three-quarters now complete secondary school. It is important to recognise that we will never return to a world where large numbers of jobs are available for unskilled young workers. Teenagers in particular are disadvantaged in competing for newly created jobs because of their relative lack of experience, skills and qualification.

Compared with other OECD countries we have one of the lowest rates of participation in apprenticeships and in school level vocational education. Retention rates increased enormously over the 1980s and everyone in the house would welcome that and would view with concern any trend away from that in Victoria. However, 14 per cent of young people still leave school early without going on to further education and training.

Recognising this, the federal government has provided a range of initiatives in its white paper and these initiatives are built on an understanding by Australian governments that the teenage years should be a time for education and training, a time for learning and preparation.

All governments in this country agree that by the year 2001, 95 per cent of 19-year-olds will have completed year 12 or an initial post-school qualification or be participating in formally recognised education and training. That is agreed to by all education ministers in this country. To achieve this a number of strategies must be put in place. Closer links between schools and industry are certainly being developed since the Carmichael report. I also believe that the old debate that raged in school staff rooms for two decades about vocational education, a lively debate in the 1970s and 1980s, is largely over. There is now strong support for the development of vocational programs and links.

The vocational training debate in high schools, as I am sure you, Mr Deputy President, would be aware, was an either/or debate: are schools for vocational education or are they for pure learning for academic purposes? The answer was that they are not necessarily for either of those things exclusively. Schools are about a range of things and experiences which are certainly not all vocational elements. How much of a vocational element is something that we all talk about, but probably not something that we would necessarily agree on.

The Australian Student Traineeship Foundation is to be set up to support these links that I have mentioned and to enable students, trainees in years 11 and 12, to combine their school-based studies with work experience and off-the-job training to provide the opportunities for apprenticeships and traineeship qualifications to be achieved in a shorter period after leaving school.

Entry level places are to be expanded, pre-vocational courses will be extended to provide 15,000 full-time places by 1995-96 and the youth training initiative will provide intensive assistance to enable young unemployed people to return to school, enrol in TAFE or higher education, take up a traineeship or apprenticeship or find a suitable job.

The youth training initiative involves the case management approach where specific appropriate assistance is given by specific case managers. All of us who have seen how young people can blossom and develop with individual attention and trust, will feel confident that this is a very sensible and effective way to go. I know that the case management approach almost sounds like a buzz phrase in the mid-1990s but if you get rid of the words and realise that it is about intensive individual attention, it seems to me that there is no substitute for that. It is true of family life, education, on-the-job training, helping people leave an institution and take part in mainstream living, and everything that one does: what one needs is a job, something to occupy one's time and a friend. That is what case management is about. I am delighted that this has now become a feature of so many federal government programs and some state government programs.

The white paper also spells out how governments will encourage the training system to become more
flexible so that it will reflect the needs of a changing labour market. I shall quote from pages 98 and 99 of the federal government’s white paper. Under the heading ‘Training reform’ it says:

There is growing recognition among governments, employers, unions and adult Australians that education and training should be a lifelong process, rather than a one-off process at the beginning or before a person’s working life. Skill development is central to improving productivity and contributing to the performance and viability of industry.

With the changing structure of industry and increased pressure to become internationally competitive, firms need to rely less on external sources for meeting their skill requirements and more on developing their own training and skills. The projected ageing of the Australian population and the substantial decline in net migration since 1988-89 mean that Australia can no longer rely on new entrants to the workforce to meet the skill needs of industry.

The vocational education and training system must:
be responsive to industry concerns about the content and relevance of training;
actively engage industry in determining the direction of training reform;
be flexible enough to offer a variety of pathways to training, including school, TAFE and industry;
be based on an open and competitive training market consisting of both public and private training providers;
provide opportunities to disadvantaged groups to gain access to training and to achieve high-quality outcomes, and
to focus on what individuals can do as a result of their training, rather than how long they have spent in the system.

Mr Deputy President, the legislation we are debating today provides the mechanism we need to ensure industry support for the training initiatives and training wage that has been developed. Page 100 of the white paper says:

A training wage applies where employers provide recognised training. This will also replace the multiple industry specific rates which currently apply to traineeships. Trainees in new and emerging industries and in small business will have ready access to the training wage rates. Work-based training, therefore, will be able to start more quickly in these new areas and to expand across the whole workforce, increasing the supply of training places.

The bill amends the Vocational Education and Training Act 1990 and implements within the Victorian employee relations system provisions of the national training wage interim award 1994 made by the Australian Industrial Relations Commission. The award was made by the Australian Industrial Relations Commission on 12 September 1994. All states will make similar arrangements appropriate to give effect to this federal initiative.

The training wage allows employers to discount award wage rates in return for the provision of accredited training. It ensures uniformity across state and federal jurisdictions and it contains a strong compliance theme which provides an appropriate safety net for trainees. The legislation is another piece in the mosaic of initiatives that must be taken by state and federal governments. It represents an important pathway into mainstream employment for both the young employed and the long-term adult unemployed. I hope it will provide employers with additional incentives to encourage them to hire from the many unemployed and to invest in training because we want to make certain employers understand that that is a good investment not only in the individual but in this country.

By the end of the decade many Australian workplaces will be profoundly and permanently changed.

For Australia to compete in today’s world and in today’s markets there has to be a genuine partnership between business and government, a commitment by business and by industry to training and skills provision and a commitment by government to underpin that.

In the 1980s, in many ways the ACTU took the leadership for that way forward, making Australian industry and business relevant. Resolving our unemployment issues is obviously part of that same question.

The opposition obviously welcomes and supports the bill. We are pleased that it will be passed in 1994 in good time for the initiatives to begin in 1995. My colleague Mr Ives wishes to talk specifically about an area in his electorate which may well be served by the initiatives being taken in the white paper and shored up by this legislation. My colleague Miss Gould wants to speak from a very deep understanding and experience of the workplace and
training in and for the workplace, so there are several comments the opposition wishes to make.

All members on this side of the house believe this legislation is essential not simply because it is part of an overall federal scheme, although of course we acknowledge that it is. If young people are to be encouraged to strive, if business is to be encouraged to do its best and become competitive, if Australia is going to be part of the action in its own region in the next century obviously changes have to be made. We cannot be static. Given the extent and depth of new technology, being static or even being slow is simply not an option any longer.

I mentioned the Dark Ages a few minutes ago. We would be very keen indeed to make certain that nothing that approaches a dark age ever casts its shadow across this country. The opposition believes Australia with its natural resources and its greatest resource — its people — is well geared to make a huge contribution not only in industrial matters but also in the questions of social change as well.

The opposition is pleased to support this bill. As I have said, my colleagues will also be making contributions. We wish the bill a speedy passage.

Hon. P. R. HALL (Gippsland) — It gives me a great deal of pleasure to speak on the Vocational Education and Training (State Training Wage Bill) 1994. It is a very important bill as it is one of the measures adopted by both the federal government and the various state governments. The bill goes a long way towards addressing the problems of youth unemployment and long-term unemployment in this country. For that reason it is certainly deserving of the support of both sides of the house and I am pleased that that is forthcoming.

The Australian Industrial Relations Commission made the national training wage interim award on 12 September this year. That award essentially allows employers to employ trainees at discount rates of pay and entitles them to avail themselves of commonwealth government subsidies in addition to the discounted rates of pay. Collectively those two measures are designed to expand the number of trainees in employment, and I am sure that objective will be achieved. It gives employers a great deal of incentive to put on trainees in their particular industry.

The bill enables Victorian employers to share the same benefits proposed by the award regardless of whether the trainee is working in a profession covered by an existing federal award or a profession covered under the Victorian employee relations system. Those trainees, regardless of which system they come under, will enjoy the same employment conditions and wages as fixed by the federal award. The Victorian government was very sensible in adopting the conditions set out by the federal award so that we have the same wage structures and the same employment conditions as described in the federal award. We have not meddled, if you like, from a state point of view in setting our own employment conditions or our own wage rates for trainees.

As Mrs Hogg said, today young people do not simply leave school and walk into a job as perhaps once they might have. In the vast majority of cases further education specific to the particular vocational area that that student may be moving into is required. Employment-based entry level training is provided through two main systems — apprenticeships and traineeships.

I want to spend the time in my brief contribution to talk about apprenticeships and traineeships and share some statistics on both of those with the house. I am indebted to the Office of Training and Further Education for providing me with statistics on the number and different types of apprentices and trainees in Victoria at the moment. First I want to comment about apprenticeships, which is relevant because a question without notice about that subject was asked today.

Victoria currently has 28 538 apprentices in training involved in approximately 105 different vocational areas. It might sound a lot, but the majority of those are concentrated in a small number of manufacturing industries and indeed are dominated by male apprentices. The figures are really quite startling. Of the 28 538 apprentices in Victoria, 25 445 are male and only 3393 are female, so there is a terrible imbalance in that situation. That is something governments of all persuasions need to consider. By an increasing emphasis on traineeships certainly we can go some way towards addressing that imbalance. At the same time there are vocational areas in which we should continue to encourage females to be involved.

As a matter of interest, hairdressing and cooking account for almost two-thirds of female apprenticeships in Victoria. For males, the most popular areas are cabinet-making, motor mechanics, plumbing and gas fitting, carpentry and joinery, cooking, electrical mechanics, and fitting and
turning. The number of male apprentice cooks is double the number of female apprentice cooks.

Hon. M. M. Gould — Ever been to a restaurant that has a female head chef? Probably not!

Hon. P. R. Hall — We should do what we can to encourage females to be involved in all sorts of apprenticeships, not just those traditionally associated with women.

The minister commented today that the drop in the number of apprenticeships has stabilised over the past few years and that the number of apprenticeships is expected to grow. Already there are early signs of a growth in the number of apprenticeships, which is welcome. Traineeships are more common in service areas such as retail, office and clerical, and finance. Although I do not have a breakdown of the number of males and females in traineeships, I am advised by the Office of Training and Further Education that the majority of trainees are females.

It is important to redress the imbalance in the number of males and females in employment-based traineeships. At the moment Victoria has 2348 trainee positions. The most popular areas are the wholesale, retail and personnel service industry in which some 638 trainees are involved. There are 446 traineeships in the hospitality industry. The third major industry is business services, which encompasses areas like clerical work, office clerical support, administrative support and small business. There are 1044 traineeships in that industry.

Although there are accredited trainees in areas such as local government, allied industries, plastics, electrical and electronics industries, engineering and automotive, printing, textile and clothing and footwear, transport, storage, furnishing, building and construction industries, very few trainees are currently enrolled in those accredited courses. Industry bodies need to encourage more young people to be involved in traineeships in those particular industries.

I point out that the number of areas in which trainees are involved is increasing. The bill gives the Office of Training and Further Education the responsibility of working as the Victorian agent for the National Employment and Training Task Force (Netforce), the federal organisation established to accredit traineeship programs. The office has the responsibility of accrediting courses in Victoria and performing the work of Netforce, and it is continually receiving more applications from different industry sectors to have approved traineeship programs.

At the weekend as I was reading through one of my local newspapers, the Snowy River Mail, I came across an article about the dairy industry and its efforts to establish a traineeship. The article referred to the United Dairyfarmers of Victoria having secured almost $1 million from the federal government to:

- develop national competency standards and curriculum for dairy farming and commence a traineeship program.

It is good news that traineeship programs in the dairy industry are about to be established. The federal government has made money available to assist the United Dairyfarmers of Victoria in establishing that program. As honourable members would know, there have been apprenticeships in the farming industry for some time. Such apprenticeships are usually four-year courses, but it is often difficult for farmers to maintain the employment of an apprentice for four consecutive years because their industry is subject to changes in climate and they can have good and bad seasons.

The advantage of traineeships is that they are usually for one year and give primary producers more flexibility in providing training programs for people who wish to enter into a traineeship rather than an apprenticeship. Traineeships offer significant advantages in that respect and I am pleased to see primary industries moving towards having accredited traineeship programs. As I said, the number of traineeship programs is increasing almost daily.

On Wednesday, 30 November the Minister for Tertiary Education and Training issued a press release that mentions a new AFL group training company to be established in January next year with the intention of enabling trainees to specialise in such areas as playing, administration, coaching, fitness, training, sports massage, catering, hospitality and ground venue management. It is a new area in which traineeships are evolving, and the intention of the AFL is to create 200 new traineeship positions every year, with an initial target of 100 in 1995. The state government is providing $45 000 this year to help with the establishment of that program and is committed to providing further funding to ensure the ongoing viability of the program.
I have spoken briefly about the two main types of employment entry level training programs: apprenticeships and traineeships. The bill is about traineeships, and with more than 2300 trainees it is important that we try to increase the numbers and address one of the most crucial issues this country faces: youth and long-term unemployment. The provisions of the bill will assist in that regard.

Based on the targets that have been set in the federal government's white paper, the number of traineeships in Victoria could rise to as many as 7700 in 1995 and to 9000 in subsequent years. With a majority of males in employment-based entry programs, it is important to address this imbalance.

With those few words I add my strong support for the bill, which will assist with the serious problems of youth and long-term unemployment. Anything we can do to assist in that respect is most helpful. For those reasons I strongly commend the bill to the house.

Hon. R. S. IVES (Eumemmerring) — Mr Hall and Mrs Hogg made particularly constructive, considered and knowledgeable speeches, distinguished by their lack of political acrimony. I warmly congratulate them. I do not intend to continue in the same vein. I also note Mr Hall's point about the need for society to cope with the great increase in the number of traineeships, to balance up the present gender imbalance in traineeships and to recognise that, certainly for the foreseeable future, traineeships as well as apprenticeships, no matter how valuable the apprenticeship scheme has been, will continue to increase in an effort to alleviate the current problems of youth unemployment.

Mrs Hogg, commendably, took the long view. She understands that what we experience is part of a profound and long-term structural change which will probably not be solved until new industries grow up to take the place of the old, based around knowledge industries, service industries and export industries.

Part and parcel of this is the necessity to engender changes in our total education and training systems with a view to preparing people for the sort of labour market they are likely to find into the 21st century. Given that, some government actions can alleviate the problems associated with this structural change and some can intensify and exacerbate them. We claim that the federal government's action is an example of the first and the state government's action is an example of the second. I shall further clarify this comparison during the course of my speech.

The opposition firmly congratulates and salutes this great initiative of the federal government's. It is an initiative that appears to be working. I understand that in the first four months of operation some 90 000 long-term unemployed people have found work or at least a place in training. As Mr Hall mentioned, as a result of this bill even more unemployed Victorians will have access to employment and training and many more employers will be able to obtain the subsidies that are part of the commonwealth scheme.

In Victoria there are many unemployed people. Figures from the Department of Employment, Education and Training for the most recent June quarter indicate an overall statewide unemployment rate of 9.9 per cent, with a teenage unemployment rate of between 49 and 58 per cent.

To indicate how patchy the recovery is, I point out for the area I represent that the unemployment rate in the outer-eastern region is 9 per cent, which is up 1.1 per cent from a year ago, and the south-eastern region has an unemployment rate of 9.5 per cent, which is down 1.6 per cent on the previous year.

We have certainly not seen the great renaissance in the state economy promised by the government prior to the last election. But then, this lethargy is only to be expected given the government's policies of cutting jobs in the public service, reducing disposable income — particularly among those less well off — by regressive taxation and holding down wage increases and working conditions of that minority unfortunate enough still to be on state awards.

Although the opposition welcomes the government's $10 million spent on community employment schemes, it notes that it is a far cry from its promise prior to the last election of $300 million for a Jobbank scheme.

As Mrs Hogg mentioned, one cannot consider the question of training and education of the labour market as distinct from schools themselves, which are dramatically changing. For instance, it is a fact that leaving school before year 12 increases four times one's chances of long-term unemployment. Therefore, it is very important that as well as having training schemes, apprenticeships and traineeships we also concentrate on what is happening in our schools — that is, preparing people for higher
education, apprenticeships, traineeships and jobs, so far as possible, to escape the net of long-term unemployment.

It is most unfortunate that the federal scheme is needed to remedy at least to some extent the effect of the state government’s education policy. What are the effects of its policies? The most telling point was made in a survey by the South East Resource Action Centre, a federally funded body, of social and economic conditions in the municipalities of Dandenong, Berwick, Cranbourne and Pakenham. Its report states:

The stated causes of youth needs were many and varied. Cuts to education, loss of welfare services, shortage of time in school for individual attention and remedial classes were stated to have ‘lowered the quality of education’. Many workers felt that teachers were overstressed and unable to take the time to support students at risk.

As I have mentioned, it is an acknowledged fact that a person is four times more likely to be unemployed if he or she leaves school before completing year 12. However, under this government we have seen falling retention rates in schools, declining student support services and school closures. I think surveys have shown that whenever a school is closed there is a drop-out of students from the education system. That has been the experience with the Joseph Banks Secondary College in my electorate. When the students from the school had to move to six or so other schools because of the closure, students remained unaccounted for; they seem to have disappeared from the system.

There is less requirement for schools to display custodial or pastoral care or even duty of care. These days it is much easier for principals to suspend or expel students; but they are under no obligation to find them more suitable placements at other schools. The student support services that might have once been offered through school support centres have largely been disbanded. As a result, we have an increase in the number of what have been called, quite aptly, feral kids who congregate around school grounds and streets without going to school and whom, unfortunately, this scheme cannot touch.

In that respect I shall illustrate the situation of a hamlet in my electorate — Cockatoo. It seems to me that, admirable though it is — we are full of praise for the federal government and obviously bear in mind and praise the state government for being prepared to take up this initiative on commonwealth terms — the scheme does not go far enough. I shall illustrate the population mix in the hamlet of Cockatoo, which is primarily a young town. Some 40 per cent of the population is under 19 years of age. Fourteen per cent of the population attend primary school; 6 per cent attend secondary school; 1.8 per cent attend TAFE colleges on a part-time or full-time basis; and 1.7 per cent attend university on a full-time or part-time basis.

Sixty per cent of the population of adults in Cockatoo are unqualified. Of the total adult population — according to the 1991 census — 1392, or 38 per cent, were employed; 1578, or 43 per cent, were unemployed; and 663, or 18 per cent, were not in the work force.

Cockatoo is a stout-hearted community with a tradition of community assistance, self-help and its own unique lifestyle, but it cannot cope with the degree of youth unemployment and hopelessness that exists in the town, even given the work of local organisations such as the Mountain District Community Health Centre and St Luke’s Anglican Church.

The overwhelming needs of the young in Cockatoo are jobs and training. I note that under this bill it is necessary for the State Training Board to enter into an agreement with Netforce. Mr Hall has described how Netforce has produced more innovative approaches to training and accreditation. He used the rural industry as an example. I understand that people like Bill Kelty and Lindsay Fox are producing innovative and worthwhile initiatives for the employment of young people by industry.

If we are to cope with the demands of youth in a hamlet such as Cockatoo — which is only on the outskirts of Melbourne and possibly only 15 minutes’ travel from Berwick — the state and the federal governments, employers and our training systems will require a high standard of excellence and innovation. They will need an ability to go out into the community to conduct field surveys and place officers there to investigate the needs of youth and ways they can overcome travel problems, the lack of nearby employers and readily available training opportunities and how any form of traineeship or training in its broadest sense, through whatever institution, can help them.

Without such a standard of excellence and innovation we will continue to have a tier of the population served admirably and well by schemes such as this. However, an underclass of people will
continue to be formed, which hamlets such as Cockatoo do not deserve; nor do they deserve to be forgotten and neglected by society.

Hon. M. M. GOULD (Doutta Galla) — I support the bill and in doing so I raise some areas of concern that should be monitored by the government in the implementation of these provisions. The establishment of Nettforce and the state training body for the employment of youth and long-term unemployed may mean that unscrupulous employers — I have come across them on many occasions — may use the federal government initiatives to employ youth and long-term unemployed in an unacceptable way. Some employers may abuse the provisions of the National Training Wage Interim Award as a means of employing people at reduced rates or to employ ‘slave labour’. That has happened in the past under assistance schemes developed by both the federal and state governments. Some employers prey on youth and unemployed and employ them under these subsidy schemes with no real intention of maintaining them on the payroll or giving them full-time jobs, after the traineeship has finished.

The introduction of traineeships is a wonderful initiative, but the long-term goal, as Mrs Hogg has said, is jobs for the youth and long-term unemployed.

The other concern I have relates to clause 7, which inserts a new section 53A into the principal act. New section 53A(3) states:

An employer must not enter into, or purport to enter into, a training agreement or an employment agreement or any other contract of employment with a trainee within the meaning of schedule 3 that provides a term or condition of employment that is less favourable to the trainee than one applicable under clause 6(1) of schedule 3.

A penalty of 100 penalty units is imposed for breaches of this provision. New section 53A(5) states:

A training agreement or an employment agreement or any other contract of employment entered into by an employer in contravention of sub-section 3 is not, for that reason only, illegal, void or unenforceable.’.

It is a direction not to enter into a contract that is less favourable than set out in the schedule attached to the bill, which is similar to the schedule attached to the federal award. I am concerned about that, because it is important that the long-term unemployed are not exploited by unscrupulous employers.

I have spoken before about my connection with the development of curriculum and competency standards in the food industry. Mrs Hogg referred to the changes that have occurred during the past decade as a result of the ACTU publication called *Australia Reconstructed*, which sets the agenda for the changes that have occurred in the country over the past five or six years. It refers to the changes that we are dealing with today, specifically the training reform agenda, the industrial relations reforms, the reduction in the number of trade unions and the necessity to introduce world’s best practice in the manufacturing industry and throughout the entire work force.

We must ensure that the work being done in developing competency standards and curriculum is taught to these trainees. The bill does not specify that it is a requirement to deliver the training agreed upon by the various industries.

A number of training programs are not necessarily recognised by the industry in which they are used. When an employee undergoes the training we must ensure it is structured and recognisable, so that at the end of the day the individual obtains a certificate that is recognised and accepted not just throughout Victoria, but throughout Australia.

I am concerned that the delivery of this training will not be appropriate unless it is carefully monitored. That will be done through the State Training Board and the establishment of Nettforce. If the training is not delivered we are wasting time, money and effort and our youth will not be better off.

Mr Hall referred to the dairy sector of the food industry in relation to the development of competency standards and curriculum. Prior to entering this place I signed the contract outlining the curriculum for the dairy sector of the food industry and I did that for a number of other sectors of the food industry. Unfortunately, the packages required to deliver the curriculum are yet to be developed. We can develop a booklet of approximately 100 pages setting out the curriculum and competency tests that should be taught to trainees, but unless they have the resources to package that the trainee will not be able to receive the appropriate training.

It is recognised in the manufacturing industry that technical and further education colleges will deliver most of the training. The food industry, because it is
the largest part of the manufacturing industry, does not have any structured training. Trainees learn on the job by standing next to a fellow employee. The industry has developed its own curriculum and standards and is developing resource packages to deliver the curriculum. Most of the training is done on the job and not through TAFE colleges.

Mr Hall referred to the service areas. The hospitality area is different. Training is done on the job in the road transport industry, not through TAFE. Most of the traineeships are designed so the trainee can reach AS1 or AS2 standard, the Australian standard framework. AS3 equates approximately to a qualified person. The training program is designed to get trainees to that level in a 12-month period.

We have to ensure that the people who deliver the training have the necessary skills, competence and abilities and the resources to back them up. I am concerned that that may not happen because in many areas where there are shortfalls such as those referred to by Mr Hall, training is done on the job and not at TAFE colleges.

I must speak specifically about the food industry, which is the industry with which I am familiar. We developed a certificate that comprised a 40 per cent mandatory training component, a 20 per cent component that could be specific to a particular company, such as a small company that did not have the resources to develop anything itself, and a 40 per cent component comprising training in specific areas of different sectors of the industry. Honourable members will appreciate that the food industry has a number of different sectors. We developed the curriculums and the competence but the resource material is still coming.

In the milling industry, in which standard curriculums have been developed, there are four areas: flour, stock feed, rice and sugar. General food is a miscellaneous catch-all area that covers things such as pasta, breakfast cereals, starch, gluten, glucose, tea and coffee, and snack foods such as muesli bars and potato chips. Bakeries was one of the few areas in the food industry in which apprenticeships operated. However, the apprenticeships were specifically for pastry-cooks and did not cover the baking of bread or biscuits. However, the big companies no longer employ qualified bakers and the employees learn on the job.

Hon. M. M. GOULD — Yes, technology has taken over in the food industry. Pharmaceuticals is another area in which specific training and qualifications are required. Putting abattoirs to one side, on the meat side there is the smallgoods area in which employees need training and understanding of the processes.

The certificate was developed to allow for specific areas in addition to the core areas of competence recognised in the federal award. A core area that is covered in the curriculum regardless of the sector of the food industry involved is occupational health and safety, which we all recognise as very important. Another core area is communication, which includes numeracy and literacy.

One of the areas I fought to have included time and again was the numeracy part of literacy and numeracy. People often concentrated on literacy and left off numeracy. Anyone who has ever cooked anything knows that you need to understand measurements. Many people have few numeracy and literacy skills. It is recognised that in Australia more than 80 per cent of workers — although the percentage varies — in the food industry are deficient in numeracy and literacy skills.

Packaging is another core area. No matter what type of food is involved, it must be packaged. Another core area is sanitation.

In those areas trainees need within 12 months to be trained in and understand what is necessary, and much of the training is done on the job. There is a need for an understanding of occupational health and safety issues, communications issues, the administrative process, packaging issues and sanitation in the workplace.

Sanitation is important in the food industry. A high-pressure water hose will turn a flour mill into a glue pot. On the other hand, if you use only a high pressure air hose in a factory that makes pasta, vegemite or breakfast cereal, you will get nowhere and a high pressure water hose is needed for effective cleaning. The purpose of the curriculum is to ensure an understanding of the fact that although the goal is the same, the process by which it is achieved may be quite different — to ensure an understanding of sanitation and how it can be achieved.

Those are areas of concern to me. We must ensure that trainees are provided with appropriate, recognised and transferable training that takes into
account skills that trainees may have already picked up.

Prior to being elected to Parliament I worked for a union that is about to be involved with Nettforce in the establishment of industry training companies in the food area, about which I am pleased to hear, and in the warehousing and plastics industries.

Hon. Rosemary Varty — Which union was that?

Hon. M. M. Gould — The National Union of Workers, which is an amalgamation of half a dozen unions. The establishment of Nettforce is an important federal government initiative, the purpose of which is to link vocational education and training reform with labour market strategies. Nettforce is establishing a number of industry training companies, two of which I am familiar with. Those Nettforce industry training companies will, together with employers, arrange training of 30,000 to 40,000 unemployed people.

We must continue to concentrate on the long-term unemployed. Many people concentrate on youth unemployment but we must not forget the many long-term unemployed people. We must also monitor the situation to ensure that no current full-time employees lose their jobs through a take-up of unemployed youth or long-term unemployed people in the system.

It is not an exercise about robbing Peter to pay Paul, about exploiting people or about providing jobs for cheap wages as is done by some unscrupulous people. Honourable members from both sides of the house recognise that it is about obtaining jobs for unemployed youth and for the long-term unemployed and about ensuring that once people have been through training and have a piece of paper, that that piece of paper is recognised throughout Australia and that the skills they have achieved will, with constant upgrading, last for their lifetime.

We have to ensure that we do not just provide 12 months of training after which people go back on to the unemployment queues. We have to ensure people achieve permanent and full-time jobs.

I strongly support the bill in relation to the areas I have mentioned and the initiatives of the federal government. I am pleased that members on both sides of the house support it, and I also add my support.
period, but if the agreement provides for some conditions that are below minimum conditions those minimum conditions will prevail. The combination of the two in a sense gives the trainee the best deal — that is, the training agreement will remain in force. It will be unfortunate if the trainee had entered into an agreement and then through the inconsistent provisions between the federal award and the Victorian Employee Relations Act that training award became invalid. The training award remains on foot, but the trainee will get the benefit of the improved conditions if they prevail in federal legislation or by an award.

I believe the point raised by Miss Gould was considered and addressed in the bill. I thank honourable members for their support of the bill.

Motion agreed to.

Read third time.

Passed remaining stages.

CRIMES (AMENDMENT) BILL

Second reading

Debate resumed from 29 November; motion of Hon. HADDON STOREY (Minister for Tertiary Education and Training).

Hon. B. T. PULLEN (Melbourne) — The opposition supports the Crimes (Amendment) Bill. The legislation opens up a difficult area, especially the question of dealing with stalking which the bill creates as a new offence. It is one with which the opposition perceives considerable difficulty, but on balance we believe the bill is a step forward.

I foreshadow an amendment to the stalking provisions because there is a need to protect people from being accused of the crime of stalking if they are going about something that is carried out in the public interest which is not provided for in the legislation — that is, they are part of a legitimate political, public or industrial dispute in which there are other ways society can deal with that situation.

The bill does a number of things. Firstly, it creates a new offence of stalking that relates to the harassment of people by another person to the extent that they suffer physical or mental distress which has an effect on their quality of life and which can, in many circumstances, be a big imposition on them.

It is a difficult situation to cope with because in many cases we are entering into an area of regulating individual relationships that may have existed and worked positively for both parties but the relationship has broken down to an extent where one party wishes to either continue against the wishes of the other or both are aggrieved in such a way that one harassing the other but not in terms of physical assault or an offence that is covered by other legislation; but by either following them or tracking them with electronic devices or other ways of imposing on their lives.

It seems from the information that I have gained that stalking can take a range of forms. It can take the form I have described between individuals who were well known to each other in the past, or it can be a stranger who finds some pleasure or satisfaction in following another person or by other means making his or her presence known to another person to the extent that the person is being harassed.

It can also be extended to a person of another family, for example, the child or a person in the custody of another person; if the child is followed or stalked it is a way of getting back at the person concerned. There are various ramifications of trying to deal with the particular stalking activity. It can relate to a number of people, but it must be said — as is made clear in the second-reading speech — that many of the recommendations in the bill have come from the violence against women task force and that a great deal of the need and the reasons for the bill are directed to the protection of women from this kind of behaviour.

If the purpose and intent of the bill were followed through, it fits into the notion of reclaiming the night that women in particular should be able to go about many activities without being harassed or in any sense put into a situation where they feel wary or they are not entitled to do what they want to do at any time without feeling unsafe.

In that sense it is positive and I have no problem supporting it. The difficulty is in determining how far you can succeed by introducing new penalties when many changes are brought about by education and recognising people's rights in society so that you have a sense that you are safe and are doing something that the rest of society supports.

Too often when a woman is harassed at night people think it is her fault. They tend to say she should not have been where she was, out on the street after 1
a.m. in a place like that. So she becomes not the victim but the perpetrator.

Until society recognises that people have a right to go about their lives without the fear of people taking advantage of a situation, then there is a limit to what you can achieve by penalties. I would expect that the people who support this bill accept that. Nevertheless, it is important for people to have the support of the law in carrying out their normal lives, and to that extent the opposition supports the legislation.

The other difficulty is in trying to distinguish what is bad or evil intent. An action that is seen by the recipient to be aggressive or unwanted may not be seen in that way by the person carrying out the aggressive or unwanted action. People engaging in aggressive behaviour may be close to borderline control over their own lives or might be suffering from mental distress, in which case the force of law that should be applied becomes a matter of fine judgment.

I have regular contact with people where my electorate office is situated. What I regard as a fairly normal kind of encounter as I wander down the street — the way people get my attention about a social, political or other matter — might be considered by some people as threatening. I encounter these people on a weekly or even daily basis and have come to regard them as characters. It is the sort of colour and movement of Brunswick Street that one would expect, and I am sure that the same kind of behaviour applies to other parts in Melbourne, namely, St Kilda.

Because I am engaging in a form of communication with someone in a situation of reasonable control, I would be almost offended if the police or anyone else came to my assistance. Usually I do find a way of gracefully terminating the meeting — not in every case — but I do not need to call for assistance.

I can imagine other people whose jobs do not expose them to such characters to the same extent feeling alarmed, but I do not think my experience is an unusual one. I believe it to be the experience of many people who work around those areas of town, and they too would equally feel comfortable in handling such situations.

Nevertheless, it indicates that care and discretion has to be used in the application of this new offence and that it was not imposed beyond need. I regard the best sort of society as one where you have a minimum of regulations, rules and controls over peoples’ lives. The need to introduce new offences is in some ways an admission that we are failing or that society has a problem. If we could be taking offences off the statute books, that is, going in the other direction, it would be an indication that society is becoming healthier, self-regulating, needed less penalties and interference.

The other point about stalking or harassment is that the real danger often comes out of the blue without any warning. Often people who carry out an action that is unpleasant, nasty or violent do it without any warning. So in a way stalking and harassment are crimes of a different nature. In some cases the offence may even be a cry for help that the offender is expressing as much as victimisation of other people.

The main ramification from the discussions I have had is that a whole range of situations could be covered by the term ‘stalking’ and that it will need to be carefully sorted out. But the pain and the rage felt by victims is extremely distressing and warrants intervention, and the opposition supports the penalty proposed.

I mentioned the impact on the recipient. The fear of what might happen in other areas of crime is almost as significant as the impact of the crime on people’s lives. I can recall the question of security of high-rise estates in Flemington, North Melbourne and Fitzroy. Because people were concerned about going out at night on those estates, they were confining themselves to their flats and not venturing out. They did not feel comfortable; they feared being around those streets.

Nevertheless, the statistics did not bear out that fear. The incidence of crime, especially assault, were no greater there than they were in other parts of Melbourne so there was no rational justification for people being fearful. However their fear was extremely real, and it became clear that addressing the fear of crime was as important as addressing the actual numbers of crime occurrences itself.

We found that by adopting a community development approach, that is, by people being involved together in those estates, by providing improved lighting and improved security, people began to go out more often at night. The message was relayed back to others: venturing out was quite a safe activity. It was a sort of a self-fulfilling result in the sense that once people felt they could go out at night, go to shops and wander around, they all
CRIMES (AMENDMENT) BILL

COUNCIL

Wednesday, 7 December 1994

talked about it being safer and it became safer because of the increased presence of people. But the real key was that people began to feel that it was quite okay to go out.

In dealing with the sense of safety of a place, the perception is extremely important. I use the words 'reclaim the night' because it is a great idea and a great slogan, particularly for women. If there is a sense that you have ownership of a place, and the community supports that notion, that is a great way to achieve a feeling of safety.

This provision provides the support of the law so that you can legitimately complain about someone following or harassing you — that is, trying to keep some sort of contact with you that you do not want. As I said, the opposition supports that proposal.

I am also comforted by the fact that this legislation is very similar to legislation which has been passed in Queensland, South Australia, New South Wales and the Northern Territory. In that sense it has an element of universality which assists the general awareness of this notion in the community. It also means that there will be an opportunity to see how it works out, that there will be a sharing of information between states. If finetuning is necessary it is likely that the exchange of information and dialogue will allow that to occur in a sensible fashion.

The issue running with that is the ability to use an intervention order to prevent a person stalking, which is sensible. Domestic violence is covered by a different section of the bill, but it again is related. The definition of relationships has expanded, and I certainly support that. An intervention order can be used in the case of relationships which are not defined as family relationships even in a wider sense. They can be relationships where people have had children together or have had, as it is described in the second-reading speech, a 'platonic relationship' but have not lived together for any length of time or had a family relationship. It is a progressive move that this provision has been included in the bill, and I congratulate the government on including it.

The opposition also welcomes the removal of the 12-month limit on intervention orders. I agree with my colleague the honourable member for Melbourne in another place who spoke at some length on this. It is unnecessary to set an arbitrary 12-month limit. If the situation is not improved the intervention order should continue. There is a let-out in the sense that if it has been extended and if the people involved want to terminate it by agreement they can do that, so there is the ability to make a joint recommendation to change.

The penalties for the breach have been increased. The maximum penalty has increased from 6 months to 24 months — a significant increase — and there may be some problems with that. It has to be made clear that these intervention orders are serious and have to be applied strictly to have any force. Therefore, the opposition does not oppose the increase in that penalty.

When I first read the bill I did have some concerns about changes to the bail law which basically reverse the onus of proof. I was concerned about that in the sense that I think it is not good for people to be put in remand, even though the new remand centre is a much better facility than the old one. I do not think magistrates should be placing people in prison when they have not been convicted, and the onus of proof would certainly lend in that direction.

What has convinced the opposition to support this measure is the fact that if a person has a history of violence and there is evidence of that person not being able to control that violence the onus is on that person to show good reason for breaking an intervention order and why he or she should get bail. Provided the matter is handled appropriately and not overused by magistrates the opposition supports that provision. Again it falls into an area that needs to be monitored. As I said before, if several states are moving to this legislation we will have an opportunity to see how it works out in different circumstances and finetune it if necessary.

Other provisions of the bill are unrelated to what I take to be its main thrust, which is the introduction of the offence of stalking. Those provisions include increased penalties for arson. I do not think there is such strong evidence for supporting that. The government simply says arson is on the increase and warrants a penalty increase. At this stage we are taking that on face value. We are not aware of any evidence suggesting increased penalties for arson will reduce its incidence. If people are burning properties for gain, the gain is likely to be substantial. The present penalties are reasonably substantial.

Through the strictness of their investigations, insurance companies and others are the best check on whether someone has lit a fire to relieve himself of a difficult business situation or liability. The
maximum penalty for arson has increased from 10 years to 12.5 years and will not by itself achieve very much. Nevertheless the opposition accepts the increase.

Another section of the bill deals with not just the actual contamination of goods but the threat of contamination or the claim of contamination, which can have a serious impact on the business or viability of people or products that are so accused. It seems a strange activity, but if it is prevalent enough to warrant a penalty the opposition does not oppose it.

I shall also comment on the provision regarding hoax explosive devices. We have had one experience at Parliament House of a bomb hoax. There has to be a deterrent for people who pretend to plant bombs or who indulge in copycat-type activities with bombs. It makes it that much more difficult for everybody because obviously every incident, whether it is a hoax or not, has to be taken seriously. A lot of people must take heed of it; there are no second chances if it is a real bomb. Making bomb hoaxing an offence may send some salutary message to those who may try it.

In summary the opposition broadly supports the bill. In particular I support the concept of the rights of all people, particularly women, to be able to go about their lives without harassment from people they may have had relationships with and which have now floundered or from strangers who take some pleasure out of intimidating women by following them around or otherwise making life unpleasant.

The measure distinguishes malicious and vindictive behaviour from behaviour that might be the result of a person’s distress. It is a step forward in the protection of women.

I have given the minister a copy of the opposition’s amendment which we believe would be helpful. The amendment could not be moved in the other place because the committee debate was curtailed, so our arguments have not been put to the government. Perhaps we can agree on the need to protect individuals from harassment and to cover people who are involved in a community protest, an industrial dispute or normal civil disobedience to make a political or social point. Those situations are covered by appropriate laws and regulations and people should not be inadvertently caught up in an activity that relates to stalking. We do not think that was ever the intention but it is possible that the bill may be interpreted that way.

During the committee stage I will move an amendment which, if accepted, will give people accused of stalking a defence. It would be up to them to prove that it is a true defence and provide evidence that they were actively engaged in an industrial dispute or other activity in the public interest. I shall speak on that matter in more depth during the committee stage of the bill, but I point out that because the amendment was not moved in the other house there has not been an opportunity for the government to review it.

Through that amendment the opposition seeks to convince the government to remove the unintended consequence that the bill could be interpreted in this way. I look forward to any undertaking the minister can give about the government’s awareness of our point about people who are unwittingly caught up in an offence when their activities were of a totally different nature. The opposition supports the bill.

Hon. LOUISE ASHER (Monash) — I should like to make a few comments on the Crimes (Amendment) Bill because I believe it represents a significant step forward, particularly in the area of domestic violence. It is very important that it be seen in the context of a number of reforms the government has made in regard to domestic violence. The reforms introduced by this bill fall into several categories. I shall go through those reforms, even though Mr Pullen has done so in some detail, because I want to indicate where the improvements are being made.

Firstly, stalking has been introduced as a new offence. Mr Pullen was correct in saying that this is a very delicate issue and that a great deal of balance needs to be attached to the definition of stalking. There must be a great deal of sensitivity in ensuring that those who are caught under the bill’s provisions are the people society wants to have caught rather than innocent people.

New section 21A sets out the definition of stalking. It states in part:

(2) A person (the offender) stalks another person (the victim) if the offender engages in a course of conduct which includes any of the following:

(a) following the victim or any other person;
(b) telephoning, sending electronic messages to, or otherwise contacting, the victim or any other person;
CRIMES (AMENDMENT) BILL

(c) entering or loitering outside or near the victim's or any other person's place of residence or of business or any other place frequented by the victim or the other person.

There are several other criteria. The potential is very broad. However, the government has sought to include in the bill several provisos and I congratulate the Attorney-General's bills committee for the work it put into forming this difficult definition and getting the wording right. It has made a successful attempt at striking the right balance.

New section 21A goes on to say that in order to be found guilty one has to have:

- the intention of causing physical or mental harm to the victim or of arousing apprehension or fear in the victim for his or her own safety or that of any other person and the course of conduct engaged in actually did have that result.

As Mr Pullen said, the bill also covers the child of a woman where the stalker is intending to effect some sort of apprehension or fear. The government has included an additional safeguard in the establishment of the offence of stalking. New section 21A(3) states:

- an offender also has the intention to cause physical or mental harm to the victim or to arouse apprehension or fear in the victim for his or her own safety or that of any other person if that offender knows, or in all the particular circumstances that offender ought to have understood, that engaging in a course of conduct of that kind would be likely to cause such harm or arouse such apprehension or fear and it actually did have that result.

In the second-reading speech the minister made clear the legitimate community concern that perhaps the mentally ill could be caught up on stalking charges, which is something the government does not want to see. These words are included to try to avoid that situation. The reference to 'in all the particular circumstances' would enable a court to consider whether a person was mentally ill or otherwise, although I hope such a case would not get to court.

Many mentally ill people congregate in my electorate and although I have not had the devastating experience Mr Pullen has had, a number of people are beginning to recognise me in the street or are coming to my office. I can understand why, in some circumstances, people who have not had previous contact with these people would view such behaviour with some fear. Nevertheless, it is very important that people suffering from those sorts of disadvantages are not caught up under stalking legislation.

The objective of the government is very clear. Principally it is to protect women, although the legislation may apply to men, who are at risk from following, harassment and telephone calls from people they know or from strangers. At the moment the law is inadequate. Stalking legislation has been introduced in Queensland, the Northern Territory, South Australia and New South Wales and I am pleased that the Victorian government has grappled with this very difficult social issue and found a form of words which on the one hand will protect women from being following and harassment and which on the other hand will protect the very important rights of people who probably do not know they are creating apprehension and fear in others.

The sensitivity of the issue is well understood by members on this side of the house. A lot of effort has been put into trying to get the words right.

Concomitant with the new offence of stalking will be the fact that an intervention order can be granted if a person has already stalked someone or is likely to do so again. Clearly this will apply the intervention order to some sort of relationship. It also fills a gap in the current law, so I think it is a step forward in the government's campaign to protect women's rights to walk the streets at whatever time they choose or to do whatever they wish to do.

The second major set of important amendments in the bill relates to the Bail Act. There is a reversal in the onus of proof in a bail application where a person is charged with stalking and has a history of stalking or violence or where a person is charged with a breach of an intervention order and has a history of violence. Such a person must now show cause why detention is not justified.

I know some people in the legal profession get very concerned about reversal of the onus of proof, but the protection of women in particular should be of such a high priority that the norms with which we have grown up in our legal system may well need to be reassessed. The reversal of the onus of proof in the Bail Act is one example where the rights of women are greater than the rights of a person who has caused violence.

The third important aspect of the bill that I shall highlight because it is a terrific step forward is the
group of amendments to the Crimes (Family Violence) Act 1987. These are very significant domestic violence reforms instituted by the Attorney-General. Mr Pullen has already touched on them, but I shall go through them and place them in the context of the government's domestic violence policies.

At present intervention orders are limited to spouses and de facto spouses, people related to each other and members of the same household. Clearly that is too limited. The honourable member for Melbourne in the other place gave an example of someone who was being followed, intimidated and harassed by an ex-boyfriend. At present, people with whom one has had relationships that are not marital or do not involve living under the same roof or whatever are not covered by intervention orders, yet, unfortunately, there is a clear need to have the definition of family member expanded because violence can be perpetrated by people other than those currently specified in the Crimes (Family Violence) Act. The bill extends the definition of family member to cover:

... a person who has or has had an intimate personal relationship with that person.

That extension of the definition is most appropriate given the number of women's groups in particular that have indicated that the application of intervention orders is too limited at present and needs to be expanded to cover the sorts of people discussed by the honourable member for Melbourne in another place, for example, an ex-boyfriend.

Another key reform introduced by the bill is the increase in the duration of intervention orders. Currently intervention orders cannot be made for longer than 12 months, and that has presented problems. Victims have to return to court to seek a new order if they feel that is necessary rather than just having a longer order in place to suit the circumstances on which the court adjudicated. In fact, some women believe their partners have been waiting for the 12-month period to elapse to again commence perpetrating violence against them. I keep referring to 'women' because in most instances it is women who take out intervention orders.

The bill extends the duration of intervention orders beyond 12 months. This is a very important step forward and will benefit a number of women who have such a level of fear that they feel a 12-month intervention order is insufficient. At least this way they will not have to go back to court and there will not be an artificial cut-off date.

The third most important aspect of domestic violence reforms is that of increased penalties. It is important to set penalties at a level that indicates the government's view on a particular crime and sends a very strong message to the judiciary in particular. The key problem with domestic violence is that of repeat offences. Unfortunately, domestic violence is rarely a one-off situation. I direct the attention of the house to a book written by the Women's Coalition Against Family Violence, Blood on whose hands? - The killing of women and children in domestic homicides.

Hon. D. A. Nardella — Who wrote it?

Hon. LOUISE ASHER — It was written by the Women's Coalition Against Family Violence. I believe Mrs McLean is very familiar with the book. It highlights the points I am trying to make. It states at page 90:

Women being abused are often put in further danger by inadequate enforcement of restraining and intervention orders. Many families and friends we spoke to believe that court orders which were inadequately enforced gave the offender a licence to further abuse, and that adequate enforcement early in the piece might have prevented the violence from escalating. Many women have so little faith in the legal system that they do not pursue their rights.

That is a very good point to make about early intervention in the system and about the nature of repeat offences in domestic violence.

It is most important that breaches of intervention orders must be seen by the state as serious. In the past a breach of an intervention order was not taken as seriously as it should have been. By increasing the penalties the government is sending a very strong message that it regards breaches of intervention orders as very serious indeed.

The bill increases the maximum penalty for breach of an intervention order from 6 months imprisonment for a first offence to 24 months, and a maximum of 5 years imprisonment for a second offence. So by increasing the penalties the message from the government is clear: breach of a domestic violence intervention order is a very serious offence.

I have participated in many debates about penalties in this Parliament. My view differs quite markedly from the views of opposition members. I often put
forward the view that one of the advantages of increased penalties is that they at least get someone off the streets, as it were. Breach of an intervention order is a classic example where the woman in question needs to get the perpetrator of violence away from her. If the intervention order did not work in the first instance, the message needs to be sent clearly that it is a very serious breach of the law to break an intervention order.

Another aspect of the package of domestic violence reforms introduced by this bill concerns the relationship between the commonwealth and the states, which is spelt out in the bill. The commonwealth has the power to vary or revoke Family Court orders in relation to access in cases involving domestic violence. The intention of this clause is to resolve inconsistencies between state domestic violence orders and commonwealth family law court contact orders. Again, that is long overdue.

Domestic violence is a problem in our community that has not received sufficient community attention, although that level of attention has been improving in recent years. Recently I chaired a ministerial task force on behalf of the Minister for Community Services, Mr Michael John, into domestic violence in Victoria. The task force found that the precise official figures on the prevalence of domestic violence are not available.

A significant number of women do not report domestic violence for various reasons. A lot of the data agencies do not identify domestic violence and in many instances the police do not record as well as they could that an incident was domestic violence.

I refer to a 1985 study by the Women’s Policy Coordination Unit entitled, Criminal Assault in the Home: Social and Legal Responses to Domestic Violence, which attempted to gauge the level of domestic violence in Victoria. The report of the ministerial task force that I chaired quoted from the 1985 study and states:

... any attempt to ascertain the incidence of domestic violence from conventional sources is likely to be a gross under-representation of the real extent of the problem. However, considered collectively, the studies that have been undertaken suggest that the incidence of domestic violence is alarmingly high.

I do not think that came as a surprise to anyone who worked in the field. I refer now to the book Blood on Whose Hands produced by the Women’s Coalition Against Family Violence. On page 1 it states:

Each year in Victoria between 30 and 40 women and children are killed by their husbands, de facts, boyfriends, ex-partners, fathers and sons. By far the largest category of reported homicides consists of those classified as ‘domestic’, with men constituting the overwhelming majority of offenders, and women and children the overwhelming majority of victims.

The problem is widespread. I commend the government for implementing these changes through the provisions of the bill and the good work of the Minister for Community Services.

The task force that I chaired made a number of comments about intervention orders. At page 45 it states:

The task force recommends that the law regarding intervention orders should be reviewed.

I am pleased a number of significant reforms will occur with the passage of the bill. However, the problem is much broader than improvements to intervention orders. The task force identified the legal system to a problem. I again refer to the task force report which states on page 46:

The task force believes much more attention to the legal system’s capacity and ability to handle domestic violence issues is required.

The bill goes some significant way to ensuring that the legal system will be better equipped to handle domestic violence in so far as the definition of who the perpetrators are, the duration of domestic violence intervention orders, and the length of sentences for those who breach the intervention orders.

I had the privilege to hear an address by Patricia Easteal, one of the key researchers in this field, at the Liberal Party’s women’s council on women’s violence in Canberra last year. In much the same way that judges’ comments on rape victims have been brought into the public domain, Ms Easteal has studied in detail trials on domestic violence. I hope her work, while achieving considerable publicity, will achieve even greater publicity in the future.

One of the significant features of the bill is the penalties provision. It will send messages to the judiciary about the attitude of the government to domestic violence. It is important for the judiciary to have placed on the record that the government wants increased penalties for breaches of
intervention orders. I hope the message will get through to the judges.

Hon. D. A. Nardella — It needs a change in community attitude.

Hon. LOUISE ASHER — I shall get to that. I do not want to digress from the bill, but I shall comment on that important issue. When a government brings forward a bill that is a significant package it sends a message, and that is important. The domestic violence ministerial task force that I chaired recommended a number of reforms that were accepted by the Minister for Community Services, and the bill should be looked at in the context of the government's passionate desire to do something about improving services available to victims of domestic violence. The task force recommended a package of increased outreach workers, and an upgrading of the Women's Refuge Referral Service.

Consultants had recommended the closure of seven high-security women's refuges. The beds of these refuges are often full and women who ring for assistance often cannot get into the refuges. There is no logical reason for the closure of these refuges and the Minister for Community Services has said that the seven refuges will not close.

The task force also recommended significant service improvements for women of non-English speaking backgrounds who, unfortunately, constitute a high percentage of people suffering from domestic violence and using women's refuges. It is important to place on the record that prior to coming to government and prior to any reform to the domestic violence system, 40 per cent of women ringing for assistance did not receive assistance. It is an alarming statistic that women in crisis who picked up the telephone were not being serviced.

I personally think we have a good network of refuges, but a poor network of services to women who do not want to leave their homes or who have alternative accommodation in the private sector; or the staying with a friend, a mother or a sister. Women in refuges receive superb services in terms of back-up, support and counselling, whereas women who do not go to refuges do not receive sufficient back-up, support or counselling. Only 17 of these services were funded.

The Minister for Community Services has indicated that outreach services will be increased significantly and he has announced that $500,000 of extra funding will be allocated on a shared commonwealth-state basis for expanded domestic violence services.

The bill should be looked at in the context of these significant reforms. I have touched only briefly on them, yet they are important initiatives to assist a vulnerable group in the community.

One aspect of the bill was the cross-over between commonwealth family law court orders and state intervention orders. I was pleased to note that the Attorneys-General have cast their minds to this issue. Clause 11 is directly related to this issue. The Attorney-General and minister responsible for women's affairs, the Honourable Jan Wade, issued a press release dated 3 November headed 'Attorneys-General agree to Wade plan on family violence'. It states:

State intervention orders, issued against violent spouses, will now override Family Court access orders, Attorney-General, Jan Wade, said today ...

Mrs Wade, who has been campaigning for these changes for two years, said today's decision was a major step towards protecting women from domestic violence.

The rights of women and children to be protected from violence has to take precedence over the rights of violent partners.

The press release concludes:

The new orders would allow a magistrate to override a Family Court access order, where there were inconsistencies. The variation would prevail until the matter went back to the Family Court.

That is yet another step forward led by the Attorney-General in another place.

The bill also represents a meeting of the coalition's election policy promises. I draw the attention of honourable members to the coalition's policy document entitled Women.

Hon. D. A. Nardella — Is that one that was released?

Hon. LOUISE ASHER — They were all released. If Mr Nardella would like copies of the coalition's policies I would be happy to provide him with them. There were policies on about 60 different areas, I believe, comprising entire booklets. The policy on women is an excellent booklet that details the
Coalition's policy on domestic violence. That part of
the document states in part:

Family violence is one of the most common forms of
assault. Its seriousness must not be underestimated.
Women are overwhelmingly the victims of family
violence.

One of the points relevant to the bill is that the
coalition will:

... implement policies which will encourage police
presence and the laying of charges in domestic violence
situations.

The bill goes a considerable way toward meeting
that policy.

I now turn briefly to the issue of community
awareness of domestic violence. As someone
pointed out, 20 years ago a bill that introduced
stalking laws and extended the definition of a family
for the purposes of domestic violence and
intervention orders would not have been debated.
The reason the bill currently has such a high priority
for the government is that there has been a process
of greater community awareness of the issue of
domestic violence.

I again refer to the book issued by the Women's
Coalition Against Family Violence entitled Blood on
Whose Hands? — The killing of women and children in
domestic homicides. This is an excellent book in which
the women's coalition has a number of important
things to say. At page 2 it states:

We know moreover that the crime figures greatly
underestimate the extent of domestic violence, as it is
the most underreported crime in our society, and even
when it is reported, it frequently remains
undocumented.

Further on that page it states:

When a woman is killed or assaulted by her male
partner or ex-partner, or a child is killed or assaulted by
his or her father, apart from some notable recent
exceptions, it often goes virtually unnoticed by the
media and community. When it is reported, it is
usually represented as an isolated aberration or
personal tragedy, and not as the social crime it is, with
social causes that need to be addressed by the
community. It is also rare for the long history of
physical and emotional violence which has usually
preceded a domestic murder to be acknowledged or
reported.

The Women's Coalition Against Family Violence is
spot on when it says that. The pleasing aspect is that
community awareness of this issue is increasing.
Community repugnance towards the crime of
domestic violence, which I have also heard referred
to as criminal assault in the home, is also increasing.
I regard that as a positive development in society.

The Women's Coalition Against Family Violence
also pinpointed a problem that is yet to be
overcome — the explanations that are often typically
given for domestic violence. The first explanation, to
which Mr Pullen also referred, is that domestic
violence is often dismissed by saying that the
woman provoked the incident. If a woman wishes to
go for a walk at night or dispute something her
husband has said it is often seen in our society as the
woman doing something outside the normal and
being provocative. That attitude is gradually
breaking down but it still exists.

The second explanation is that domestic violence
and domestic murders are often portrayed as private
affairs to be kept within the family involved. It is not
a private affair; it is a social problem with social
ramifications. It is not simply a private matter,
which brings in the issues of intervention orders and
awareness by police officers of their role. That
awareness has improved, and in a number of areas
the Police Force is paying attention to making sure
that police officers understand that these incidents
cannot be dismissed just as family disputes but that
it is a social problem that needs to be dealt with.

Hon. D. A. Nardella — Worse than that, they are
crimes.

Hon. LOUISE ASHER — They are crimes. It is
criminal assault in the home, and it has social
causes. It is not simply a matter of it being the
problem of a particular family; the causes are spread
broadly across the community.

The third explanation is that there is still a belief in
Australian society that these things happen to 'other'
sorts of people. The reality is that they do not just
happen to 'other' people. The government's policy
emphasis on domestic violence and ways of
assisting to reduce it will also have an impact on
community opinions and attitudes. I am pleased that
is occurring and will occur more in the future.

The bill addresses other matters. It increases the
penalty for arson. The bill also creates a new offence
of contaminating or threatening to contaminate
goods. Threatening to contaminate goods is now an
offence under criminal law if demands are made but is not covered under criminal law if demands are not made. The bill creates a new offence, to which Mr Pullen has referred, of leaving hoax bombs or making hoax bomb threats. Previously only postal hoaxes were covered under criminal law. Additional matters are also covered in the bill and they are all steps forward.

Mr Pullen made a general comment that in an ideal world he would like to see fewer offences or, if you like, deregulation of offences. I hope I am not misrepresenting the sentiments he expressed. My view is different. The new offences in the bill are simply a result of changes in community attitudes. As I said earlier, 20 years ago a bill that introduced laws on stalking, extended the definition of a family for the purposes of domestic violence and intervention orders and extended the duration of domestic violence orders would not have been debated in this or any parliament irrespective of who was in power. The new offences are the result of increased community awareness, and we can all play a part in moving that awareness further in the future.

This is an excellent bill because it is an example of the government yet again looking at the safety of women and children. In particular, the creation of the new offence of stalking has been handled with great sensitivity to ensure that those we do not wish to catch under the stalking legislation will not be caught by it.

The bill is important because it introduces the reverse onus of proof for bail applications in relation to certain violence and stalking issues and strengthens intervention orders through both increases in duration and penalties. The bill is also important because it broadens the definition of people who are potential perpetrators of domestic violence to include a wider category of people than is covered by the current limited category.

I commend the bill to the house. It is part of a package of domestic violence reforms with which the government has grappled. I wish the bill a speedy passage.

Hon. D. A. NARDELLA (Melbourne North) — I support the Crimes (Amendment) Bill and shall confine my remarks to two areas, stalking and the family violence provisions. The stalking provisions of the bill will protect people from intimidation and fear, and will allow those people to regain control of their lives. It is acknowledged that the existing law must be strengthened and the government is putting into place a sensible measure.

It is extremely important for women affected by such actions to have this strengthening of the legislation because they are the most vulnerable of people with the different situations they face, such as family break-ups, strangers and known people. Clause 3, which defines stalking in new section 21(A), states in part:

(2) A person (the offender) stalks another person (the victim) if the offender engages in a course of conduct which includes any of the following:

It then lists a number of paragraphs from (a) to (g). It is important that those definitions be put in place, especially paragraphs (b), (d) and (e). Paragraph (b) states:

| telephoning, sending electronic messages to, or otherwise contacting the victim or any other person. |

That process keeps up with technology, with computers and bulletin boards. Soon not only will we have the electronic superhighway, or whatever else is connected to that, but also other forms of communications.

Paragraph (d) states:

| interfering with property in the victim’s or any other person’s possession (whether or not the offender has an interest in the property). |

The government has taken into account that many people who stalk, intimidate and place fear into other people are very devious and use many methods to intimidate people.

Paragraph (e) states:

| giving offensive material to the victim or any other person or leaving it where it will be found by, given to or brought to the attention of, the victim or the other person. |

Again this paragraph expands the definition and allows for the various forms of intimidation and fear to be taken into account. The legislation is comprehensive enough to be valuable to the unfortunate people who must use it.

Intent is an extremely important concept, and new section 21A(3) states:
For the purposes of this section an offender also has the intention to cause physical or mental harm to the victim or to arouse apprehension or fear in the victim for his or her own safety ...

It is important that the bill explains the physical and/or mental harm to the victim and that the offender is engaging in the course of conduct that would be likely to cause harm or arouse apprehension or fear. The intent in a real sense has to be there and when a case comes before a court it must be clear that there has to be intent and motivation for action to be put in place. It is appropriate that the provision be explained.

Part 3 of the bill refers to exemptions for those people who carry out legitimate duties, such as the enforcement of the criminal law or the administration of any act.

The bill places people in a much better position to deal with a number of incidents where they feel threatened, where society in a real sense must protect them. The legislation gives them the legal remedy to do that.

Part 4 of the bill refers to family violence. That provision in the bill is important because it is a further extension of the position where society is to treat domestic violence seriously. Domestic violence is a blight on society; it not only affects women who are physically and mentally abused but it also affects their children. In many instances it affects other family members. In the past family violence has not been treated seriously — it has been swept under the carpet. As has been explained, it was all right every now and again to 'give the little woman a bit of a biffing'. But that is not my attitude and it is certainly not the attitude of the opposition and — —

Hon. Louise Asher — It is not the attitude of the government either!

Hon. D. A. NARDELLA — That's right, it is not. This bill strengthens the intervention orders in those types of situations. It is part of what the previous government started to do and was not able to complete. I do not know whether the government will ever complete it, but it is part of that change of attitudes in the way that society and the community think about domestic violence.

For instance, the program that was put in place by the previous government, the 'violence is ugly' campaign, is part of that evolution of saying to the community that domestic violence or any type of violence perpetrated by anybody in society is not welcomed. It is not part of what a modern, a — —

Hon. Louise Asher — Civilised?

Hon. D. A. NARDELLA — Thank you. It is not what a modern and civilised society is about. It is important that this bill takes that notion further; it strengthens the intent of that program, but in a real sense it further protects vulnerable people, namely the wives, partners and children who are placed in this extremely serious and extremely unwelcomed situation.

We need to look at other aspects of domestic violence because intervention orders are part of dealing with the after-effects of domestic violence. It is important to deal with issues like police response to domestic violence, the follow-up to domestic violence, the keeping of statistics, and the reporting by police in cases where officers attend domestic violence scenes. One of the other issues that this particular legislation touches on and deals with through the intervention order is getting the perpetrator away from the family. That is one of the important aspects that the intervention orders deal with.

In New Zealand the police treat domestic violence extremely seriously. Their police force has gone through a number of changes in their modus operandi and their society in general. The police have been involved in the 'domestic violence as a crime' campaign. It is a very successful campaign from what I saw when I attended the victimology conference in Adelaide earlier this year. In New Zealand the police force has recognised that it is not good enough for officers to set their watches and 'It's about time we go to little Johnny's place to break up the fight'. They realised that it was an absolute waste of resources but, worse still, it was not assisting the family. It was a criminal act that was being perpetrated on that family, whether it be by alcohol abuse, substance abuse or just an attitudinal set of circumstances by the male. The police changed their attitudes and the way that they dealt with domestic violence, and changed the culture so that it was taken seriously and treated as a crime.

In those circumstances perpetrators were taken away from the home and placed in gaol. It may seem a radical position, but they do not get out of gaol until the wife or the partner has gone and
placed an intervention order against the perpetrator so that the perpetrator then has to leave the family home and leave his victims. To a large degree it is the reverse to what happens here in Victoria where, in many instances, it is the victims, that is, the wives or the partners and their children who have to leave the home, disrupt their lives, and live in fear of being caught up in a situation of having to access finite resources and services that are provided by the state.

The intervention orders are then granted virtually automatically and then usually two weeks down the track they are fought and debated over in the courts, as intervention orders are in normal circumstances. Further work needs to be undertaken with these types of options and attitudinal changes so that we protect the vulnerable people, that is the wives and children in the circumstances.

I want to pick up on a point made by Ms Asher. She said that before 1992 some 40 per cent of women did not receive support. I do not dispute that claim, however it is a position that should not have been allowed to occur and should not have occurred under any government. It is certainly a situation that required extra resources both under the previous government and under this government. Nevertheless this government does understand that there is a need for further resources. It has undertaken the review by Ms Asher and has, through an extensive, quality, consultative process put in place changes and programs and out-route services that are welcomed by women's groups and by CASAs. The work done by Ms Asher is highly valued by people in that area.

I pass that on because from my discussions with directors and workers in the CASAs they recognise that particular work that went on.

I must say that the services that were lacking in 1992 had to be put in context with the absolute lack of services that the former government inherited in 1982. It was the Cain Labor government along with the federal Labor government that put in place many of the funding arrangements and services and had carried out a lot of the work trying to deal with the situations that women and children were confronted with. The Labor governments need to be commended for that work.

This legislation adds to that evolving situation and the services and legislation that assist these people. However, further work needs to take place.

I hope the consultative processes, the methods used by Ms Asher, continue so that the people who have been affected by these changes are part of the process and can assist this and future governments to provide quality services and put in place the necessary legislation associated with changing community attitudes so that domestic violence is acknowledged for the crime that it is and so that violence generally is minimised.

Motion agreed to.

Read second time.

Committed.

Clause 1 agreed to.

Clause 2

Hon. HADDON STOREY (Minister for Tertiary Education and Training) — I thank honourable members who spoke on this bill. This is one of the rare occasions where a bill has received the support of many members of the house. Some very genuine and sensitive speeches were made on these difficult issues. It is worthy of reflection that the bill has been so well received and that some very important issues were so well canvassed.

Clause agreed to.

Clause 3

Hon. B. T. PULLEN (Melbourne) — I move:

Clause 3, page 4, after line 18 insert -

"() In a proceeding for an offence against sub-section (1) it is a defence to the charge for the accused to prove that he or she engaged in the course of conduct for the purpose of a genuine -

(a) industrial dispute; or

(b) political or other public dispute or issue carried on in the public interest."

As I foreshadowed during the second-reading debate the purpose of this amendment is to ensure that the effect of the offence of stalking is not extended to people who are not in any way attempting to stalk or hassle individuals in the way the bill has been argued or consistent with the way the speakers in support of the bill have supported it. There is a strong possibility that the legislation could
be misused. A person engaged in a community action might be required to picket a building because of an industrial dispute or may be engaged in community action to protect a park or a particular facility, as I have recently experienced with the Fitzroy Swimming Pool. From time to time those people might be involved in hassling a person in authority to make a point and could be seen to be spending a lot of time at a particular premises. I believe there are adequate provisions to deal with those matters if they affect a person’s safety. The question of civil liberty should be dealt with in an entirely different context than stalking legislation.

A similar clause has been inserted in legislation in other states to provide the necessary protection. That protection is conditional in that it would be up to the person so charged to show as an effective defence that they were genuinely involved in the category of either ‘industrial dispute’ or ‘political or other public dispute or issue carried on in the public interest’. To that extent the legislation should not be weakened in respect of people who have offended by stalking.

The opposition believes this is a necessary change, and I will be looking forward to a positive response from the government.

Hon. HADDON STOREY — Mr Pullen raised with me before the debate started the fact that this amendment was not able to be moved in the other house. Indeed, I do not think it was actually prepared until a copy was made available to me shortly before this debate started, but I understand the point Mr Pullen is making.

I suppose the other side of it is that the suggested defence would come into operation only in circumstances where somebody has aroused apprehension or fear, so there are two sides to the matter. The government has not been able to consider this amendment. In particular I have not been able to discuss it with the Attorney-General. In those circumstances I cannot support it, but irrespective of what happens here I will refer the amendment to the Attorney-General and ask her to consider Mr Pullen’s comments. If she believes it is appropriate to insert the amendment in the legislation that will be done in the future. From experience all honourable members know that bills amending the Crimes Act are frequently presented, and it would be possible for her to bring it forward on some other occasion. I give that undertaking to Mr Pullen. We cannot support the amendment here, but I will refer his comments to the Attorney-General and ask her whether she considers it appropriate to include the amendment in some other amendment to the act at some subsequent stage. I am sure that will be done.

Hon. B. T. PULLEN (Melbourne) — I thank the minister for that undertaking. It is true that this amendment was not able to be presented in the other house because debate on the bill was guillotined. My colleague the honourable member for Melbourne foreshadowed his concern about the issue, but it went no further than that. I am grateful for the undertaking by the minister that the matter will be referred to the Attorney-General along with the comments that have been made. I will not test the committee even though the opposition believes it is a serious issue.

Amendment negatived; clause agreed to.

Clauses 4 to 11 agreed to.

Reported to house without amendment.

Passed remaining stages.

CONSTITUTION (COURT OF APPEAL) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. HADDON STOREY (Minister for Tertiary Education and Training).

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

ELECTRICITY INDUSTRY (FURTHER AMENDMENT) BILL

Second reading

Hon. R. M. HALLAM (Minister for Regional Development) — I move:

That this bill be now read a second time.

This piece of legislation is another major step in the implementation of the government’s reform strategy for the electricity supply industry in Victoria. The reform strategy has been undertaken to increase the competitiveness and efficiency of the electricity supply industry on a sustained basis, to empower electricity consumers by creating a basis for customer choice and reductions in the cost of
electricity in Victoria and to assist in the reduction of state debt.

The first stage of structural reform was completed in January 1993 when the State Electricity Commission of Victoria was divided into Generation Victoria, National Electricity and Electricity Services Victoria.

The second stage of structural reform involving the division of the three existing businesses into eight new companies, each with its own independent board, was completed on 3 October 1994. The structure of the electricity supply industry now comprises:

- Generation Victoria, which is an interim generating structure comprising separate business divisions which will trade independently of one another;
- a transmission grid company, Power Net Victoria, which will own, maintain and manage the high voltage grid;
- Victorian Power Exchange, an independent statutory corporation that will monitor and control the wholesale electricity market and ensure the security of electricity supply; and
- five regionally based distribution companies comprising former businesses of Electricity Services Victoria and the 11 municipal electricity undertakings. These companies were created under and operate in accordance with the Corporations Law.

Structural changes in the industry to this time have focused on:

- separating the natural monopoly elements from the potentially competitive parts of the electricity supply industry;
- establishing the wholesale electricity market controlled by Victorian Power Exchange and regulated through the Office of the Regulator-General; and
- encouraging consumer choice through competition in generation and energy retailing, giving consumers an incentive to seek the lowest tariff consistent with their energy consumption patterns and overall demands.

The government made clear, when introducing the first Electricity Industry (Amendment) Bill into the house in May this year, that the government planned to continue its restructuring initiatives with a view to substantially completing the reform process over the next year. That further reform was to include enhanced competition in generation.

This bill is enabling legislation for another step in the creation of an efficient and competitive structure for the operation of the electricity industry for Victoria. It provides the basis for the restructuring of Generation Victoria with a view to further developing competition in the generation sector.

This bill is designed, by way of amendments to the existing electricity restructuring act — the Electricity Industry Act 1993, as amended — to:

- in the case of each of the new generation entities, allow staff transfers with the preservation of entitlements and to allocate the rights, liabilities and assets of Generation Victoria to the new generation companies in an orderly and prudent way; and
- establish the basis for the franchise fee to be paid by the distribution companies and an energy levy on purchases from the wholesale electricity market.

Part 1 of the bill sets out the preliminaries to it. Part 2 specifies the principal amendments to the Electricity Industry Act 1993 to provide for the abolition of Generation Victoria and the recognition of the generation companies. This part also has the effect of ensuring the rules for operation of the new generation companies are the same as for the existing electricity corporations and the distribution companies. These provisions are modelled on those in the State Owned Enterprises Act 1992 and encompass the conduct and duties of directors, the preparation of corporate plans, provision for the performance of non-commercial functions, annual reports and audit and the payment of dividends.

Section 9 of the Electricity Industry (Amendment) Act 1994 repealed section 26 of the Electricity Industry Act 1993, which provided that the electricity corporations are subject to the direction and control of the Treasurer and the minister acting jointly. Section 9 has not yet been proclaimed. Because of the evolving nature of the industry it is now considered necessary that the government retain a power of direction while the relevant entities remain wholly state owned. The bill
provides a power of direction similar to that contained in section 16C of the State Owned Enterprises Act 1992.

The bill authorises Victorian Power Exchange, as operator of the wholesale market, to impose and recover a levy on electricity purchased in the wholesale electricity market as a condition to participation in the market. In the restructured industry virtually all electricity generated in the state will be sold through the wholesale electricity market. However, this state of affairs must not interfere with the contractual obligations undertaken by the SEC to purchase the output of the Loy Yang B power station at a specified price reflecting the arrangements initiated by the previous government. As a result, the SEC will continue to purchase Loy Yang B output at the contracted price and will then itself on-sell that output through the wholesale market. It is expected that the price received by the SEC in the wholesale market will be less than the contract price. This deficiency is to be made up by an energy levy imposed on all electricity traded through the wholesale market.

The energy levy is considered to be the most effective way to ensure that electricity consumers rather than taxpayers bear the cost of the Loy Yang B take-or-pay contract, the basis of which was negotiated by the previous government. The government believes all electricity consumers should bear the cost differential between the purchase price for power out of Loy Yang B and the wholesale or pool price rather than taxpayers. The energy levy does that.

In respect of the flexible tariff obligation, which is a burdensome contract within the electricity supply industry, the government has previously recognised that taxpayers should bear the cost of that. Being an initiative of the previous government it is appropriate for taxpayers to continue to carry this burden.

Part 3 of the bill provides for the allocation and transfer of staff, property and liabilities from Generation Victoria to the new generation companies. The current provisions for interim arrangements governing the rights of electricity corporations in relation to transferred property under the Electricity Industry Act 1993 will continue to apply to the electricity corporations and the new generation companies.

Part 4 sets out the new provisions to be inserted in the Electricity Industry Act 1993 to deal with regulation of the electricity supply industry. The government has determined maximum uniform tariffs for the sale of electricity to franchise customers. The government will also be determining the initial charges for connection to and/or use of the distribution and transmission systems. This bill provides a mechanism for government to continue on a statutory basis the current arrangements for tariffs and charges for a specified period and for the review of those tariffs and charges by the independent Office of the Regulator-General under the Office of the Regulator-General Act 1994.

This part also provides a mechanism for government to set a franchise fee payable by the distribution companies. During the transition to a fully competitive market, the distribution companies will have franchised customers. On an ongoing basis the charges for use of the distribution networks will be subject to regulatory oversight. This part facilitates the determination of a franchise fee reflecting the franchised basis of operation of the distribution companies.

Part 5 sets out the further amendments required to the State Electricity Commission Act 1958 and the Electric Light and Power Act 1958 to make them consistent with the intent of this legislation and to make consequential amendments to other acts so that there is consistency in application of legislation.

Part 6 sets out amendments to the Financial Management Act 1994 to incorporate provisions which confirm the Treasurer's ability to give indemnities to:

- statutory authorities and state owned or controlled companies and their directors and officers; and
- the owners of goods that are lent for temporary exhibition or otherwise made available for a limited period to the state or a state instrumentality.

That will achieve a standardisation of the government's approach to the provision of indemnities.

This bill represents a further step in achieving the government's objective to restructure the Victorian electricity industry.

I commend the bill to the house.
Debate adjourned on motion of Hon. D. R. WHITE (Doutta Galla).

Debate adjourned until later this day.

MELBOURNE SPORTS AND AQUATIC CENTRE BILL

Second reading

Hon. W. R. BAXTER (Minister for Roads and Ports) — I move:

That this bill be now read a second time.

The purpose of this bill is to permit the construction of the Melbourne Sports and Aquatic Centre at Albert Park and to establish the Melbourne Sports and Aquatic Centre Trust to operate the centre.

The existing indoor sports facilities at Albert Park, except for the squash centre which was built in 1961, are ex-World War II storage sheds that were converted into indoor sports venues in the 1950s. These facilities are in a dilapidated condition, they leak when it rains, they contain asbestos and they now require major upgrading or replacement to avoid closure. The State Swimming Centre at Batman Avenue has major structural problems and requires costly ongoing maintenance. The government currently spends $250,000 annually to maintain the swimming centre in a safe condition for public use.

The development of the Melbourne Sports and Aquatic Centre will replace both those dilapidated indoor sports facilities and the structurally unsound Batman Avenue State Swimming Centre with new world-standard facilities to be located in the north-west section of Albert Park. The few sporting clubs affected by the site development will be relocated to other parts of Albert Park. Once the centre is operational the existing court facilities at Albert Park will be demolished and the area returned to open space.

The need for this bill is twofold. Firstly, the bill will enable the trust to obtain control of the site and use the land for the intended purposes. The bill will require the committee of management at Albert Park to lease a defined portion of the reserve required for the centre to the trust for a period of 52 years.

Secondly, there is a need to provide for an expert body to have responsibility for the construction and management of the centre and to ensure its sound financial performance. The bill will provide for a trust similar to that established for the Melbourne Exhibition Centre.

Given that the centre will cater for a variety of sports, an 'expert' trust comprised of five to seven members who have the skills and background required to operate the centre in an efficient and commercially sound manner will be appointed by the Governor in Council. The trust is to have the power to take the relevant land on lease and, subject to the approval of the Minister for Sport, Recreation and Racing, to have power to grant subleases over part or parts of the centre operations. The trust will also have power to enter into contractual arrangements in relation to the construction, operation and maintenance of the centre, to regulate conduct at the centre and to charge entry fees.

The trust will be subject to the general direction and control and specific directions of the Minister for Sport, Recreation and Racing. As a public body, under part 7 of the Financial Management Act it will also be subject to the normal financial and reporting obligations, including annual reporting and audit by the Auditor-General.

I wish to make a statement under section 85(5) of the Constitution Act 1975 of the reasons for altering or varying that section by this bill. Clause 31 provides that it is the intention of the proposed act to vary the Constitution Act 1975 to the extent necessary to prevent the Supreme Court awarding compensation in respect of anything done or arising out of section 24(1) or because of the granting of a lease to the trust or the assignment of any of the trust's interest under a lease.

The reason for limiting the jurisdiction of the Supreme Court is that the bill allows the committee of management at Albert Park to grant a lease of the Melbourne Sports and Aquatic Centre land for purposes other than the purposes for which the land is reserved.

The bill also allows the trust to assign its interests under the lease for those purposes. Any claims for compensation based on the former use of the land could delay or prevent a change in the use or status of Crown land that is for the benefit of the community as a whole. It is in the public interest for the rights on the site to be clarified to allow this major development to be built. This facility will significantly enhance the amenity of the area to park users, local residents and Melburnians generally.
The replacement of the current State Swimming Centre and the redevelopment of the Albert Park Indoor Sports precinct are key priorities of the government. The Melbourne Sports and Aquatic Centre will replace the facilities currently in use and provide a major facility for competition, the training of future champions and for community use.

The facility’s design will mean that other sports or recreational activities can be relocated to the centre in future years in the event of changed leisure participation trends. The centre may overcome the need for many Victorian athletes, in particular swimming and diving athletes, to leave this state to join training and competition programs elsewhere.

The centre will be a venue for state and national championships and will also help position Victoria to meet the needs of Australian athletes training for the 2000 Olympic Games. The centre will possibly attract overseas Olympic teams for training and acclimatisation programs and potentially be a venue for Olympic preliminary events.

The inclusion of the new State Swimming Centre at Albert Park will also provide the local residents with a much needed sport and recreational facility. With the grand prix works, it demonstrates the government’s intention to upgrade Albert Park from its sadly neglected condition.

In conclusion, the construction and effective management of the Melbourne Sports and Aquatic Centre at Albert Park will make an important long-term contribution to this state’s sporting, economic, and social development.

I commend the bill to the house.

Debate adjourned on motion of Hon. D. R. WHITE (Doutta Galla).

Debate adjourned until later this day.

WATER INDUSTRY BILL

Second reading

For Hon. M. A. BIRRELL (Minister for Conservation and Environment), Hon. R. M. Hallam (Minister for Local Government) — I move:

That this bill be now read a second time.

This bill introduces a number of reforms to the Victorian water industry to facilitate its long-term development and to extend the application of commercial practices.

Although Victoria has a well developed water industry, the industry is suffering from a legacy of debt as a result of a history of capital misallocations, and there has been insufficient incentive to improve customer service and reduce costs. The reforms introduced by this bill build on recent progress in both Melbourne Water and the non-metropolitan water authorities. The reforms aim to provide greater efficiency and competitiveness, to empower consumers and to reduce state debt.

The purpose of the bill is to provide for an environment and structure which facilitate the efficient running of the various water retail licensees as commercial businesses. These licensees will thus be encouraged to make commercial decisions on matters such as investment, service delivery and asset management within a regulated framework to protect consumers interests.

This bill is a key part of ensuring that water companies reduce costs, improve services, behave in a commercial way and maximise efficiency as corporatised entities. The bill does not privatise any water authority in Victoria, nor does it presuppose an eventual privatisation of any part of Melbourne Water or any other authorities. Rather, it provides a mechanism compatible with continued public ownership combined with improved efficiency through greater commercial focus.

Consistent with the shift away from a rating basis for charges for water and associated services, the bill provides protection for consumers in terms of consistency of supply. Provisions concerning maintenance of supply and limitations on restriction of supply are translated from previous water industry legislation. Provisions concerning resource management continue through the application of the Water Act 1989. This protection will be enhanced by the licensing conditions and through oversight of the Regulator-General. Credit management policies will be subject to licence conditions designed to ensure that deposits are confined to customers with established poor credit records. The changes associated with corporatisation are designed to maintain industry practices, existing industry standards and security of water supply to household customers who face financial difficulties.

A variety of concessions are currently provided to domestic customers. The three major concessions are:
pension rebates providing a maximum $135 rebate off annual charges;

waivers of charges, either partly or wholly, for people in necessitous circumstances; and

provision of additional time to those experiencing financial difficulties in prompt payment.

There are similar provisions in respect of the non-metropolitan water authorities. The government recognises the social importance of these concessory schemes and this bill provides for their continuance.

Water supply, sewerage and drainage services are currently provided by the Melbourne Water Corporation in the greater Melbourne area and by various water authorities in the rest of the state. Melbourne Water Corporation is constituted in accordance with the Melbourne Water Corporation Act 1992 and provides services in accordance with obligations and powers primarily contained in the Melbourne and Metropolitan Board of Works Act (MMBW Act 1958). The other water authorities exercise powers under the Water Act 1989. Melbourne Water Corporation and the water authorities also perform other functions including waterways management, floodplain management and, in the case of Melbourne Water Corporation, establishment and operation of metropolitan parks and the management of industrial waste.

In September 1993, the government signalled a program of reform for the water sector through its report Reforming Victoria's Water Industry: A Competitive Future. The reforms signalled included a clearer separation between the public good functions (regulatory and community service) and commercial functions (customer services) within the water industry, and greater financial transparency and accountability.

Consistent with those principles, this bill introduces an operating licence system in which licences contain all of the key operational and customer service parameters. Licences may be issued for the provision of water supply and sewerage services, the establishment and management of water supply headworks (dams, treatment plants etc.), the establishment and management of sewage treatment works, and the provision of drainage services. The licences will be defined in terms of geographic areas.

The first group of licences will be issued to three new state-owned corporations servicing the Melbourne area, which will hold water and sewerage licences. The new companies are City West Water Ltd, Yarra Valley Water Ltd and South East Water Ltd. Each of the new corporations will have its own customer base and, while they will not compete directly for each other's customers, they will compete by comparison in the service they each offer their customers. Each business will have full responsibility for service delivery, asset management and financial viability.

Water will be sold from the headworks business to each of three regional distribution businesses at a price reflecting the future costs of maintaining Victoria's access to a secure water supply. The resulting price will ensure that no-one is denied water while ensuring that water is used in a way which reflects its true economic value. Government policy is to increase the emphasis on user-pays pricing. This focus on payment for water used rather than property value means that consumers will have some control over their water bills and have an economic incentive not to waste water. This contrasts with the former system, which gave consumers no incentive to save water, and, indeed, actually encouraged wasteful use.

Other important aspects of demand management, such as community education, research, planning and developing and implementing programs for conservation are incorporated in this bill. All licensees will be required to develop programs for demand management for the approval of the Minister for Natural Resources.

Since July this year, the parks and waterway functions of Melbourne Water Corporation have been carried out by a state body, Melbourne Parks and Waterways. The bill establishes Melbourne Parks and Waterways as a statutory corporation with a charter of managing and controlling open space, parks and waterways within the metropolitan areas for the purposes of conservation, recreation, leisure, tourism and navigation. Melbourne Parks and Waterways will also manage the hydraulic capacity and water quality of some waterways.

Under this bill, the management of parks and the recreational, educational and leisure value-related functions of waterways together with drainage and water quality aspects of certain waterways, will be transferred to the new statutory authority, Melbourne Parks and Waterways. The corporation will be responsible to the Minister for Conservation and Environment, but have its own skill-based board of directors and chief executive. It will be
funded by rates or charges on landowners in the specified metropolitan area, which will be in lieu of the metropolitan improvement rate, and have power to enter into arrangements with others to collect its revenue. The corporation will acquire assets from Melbourne Water Corporation and employ some of its staff. It will have all of the powers, including powers under regulations, needed to establish, operate and manage parks and open space facilities, and have Melbourne Water's existing powers to develop, maintain, protect and enhance the aesthetic, recreational, educational and leisure value of waters, lands and works provided for in the MMBW Act 1958.

Catchment and waterway management responsibilities are a mix of regulatory and commercial functions. As such, they are inconsistent with the strong commercial focus of the new regional businesses.

The government recognises that catchment management needs an integrated approach. The elements of policy, water resource assessment and regulatory activities which more appropriately belong within the policy arm of government will be transferred to the appropriate government department or agency. Melbourne Parks and Waterways will have responsibility for integrated planning. The government recognises that the division of responsibilities between Melbourne Water and metropolitan municipalities for urban drainage need to be rationalised. This matter is currently under review.

Melbourne Water Corporation will retain ownership of all dams, sewage treatment works and other headworks. The bill provides that the three new state-owned companies and Melbourne Parks and Waterways will have other Melbourne Water Corporation assets transferred to them.

The Water Act continues to provide for the integrated management of the water resource and defines the bulk entitlement to water for the licensee. For areas of the state which are not subject to a licence, the Water Act continues as the relevant legislation. Licences will eventually be issued throughout the state.

Some special powers are necessary to enable each licensee to perform its functions. These powers, such as entry to land and so on, have been kept to a minimum and licensees will be fully accountable for their actions. To ensure that licensees comply with their obligations and to maintain a fair pricing structure for consumers, the supervision of licensees becomes the responsibility of the Office of the Regulator-General. In accordance with the Office of the Regulator-General Act 1994, competitive market conduct will be fostered and possible misuse of monopoly power prevented.

Under the Water Act 1989, flood plain management functions are vested in declared authorities, including Melbourne Water Corporation. Under the bill all flood plain management functions, previously vested in Melbourne Water Corporation, will be vested in the Minister for Natural Resources. While the minister and the department will oversee the regulatory and policy aspects, the bill enables operational (including technical) matters be delegated to service delivery agencies.

The division of assets and activities between Melbourne Parks and Waterways, Melbourne Water Corporation and the state-owned companies will be effected by administrative processes. It will be necessary for some staff to transfer from Melbourne Water Corporation to Melbourne Parks and Waterways and to the three state-owned companies. Provision is made for such officers and employees to remain with the existing superannuation fund.

Consequential amendments to other legislation have also been necessary. Melbourne Water Corporation formerly made certain payments out of the Metropolitan Improvement Fund in connection with the Melbourne Underground Rail Loop. These payments will no longer be made and the Transport Act 1983 has been appropriately amended.

Part 2 establishes a licensing system for the provision of water, sewerage and drainage services throughout the state. The water industry is declared to be a regulated industry for the purposes of the Office of the Regulator-General Act 1994. There are also provisions creating customer contracts, which entitle all customers to definitive and enforceable legal rights with respect to the cost and quality of services provided.

Licensees are authorised to charge fees for the various services (initially for water and sewerage usage) but those fees will not be a charge upon land. Rates, which will continue to be levied by Melbourne Water Corporation, pay for services including water catchment, bulk distribution, water treatment, sewage treatment and reticulation. All fees and rates will be collected by the licensees to simplify customer payment. This will create
uniformity with other providers of essential services. Existing exemptions from certain fees have been preserved.

Inspectors will be appointed to monitor technical aspects of the licensee's business. These controls will be in addition to existing monitoring programs operated by the Environment Protection Agency and the Department of Health and Community Services.

Part 3 of the bill covers the functions, obligations and powers of licensees. The licensees will be required to manage, operate and maintain the relevant systems of works as well as to plan for future needs, conduct appropriate research and educate the community. To enable licensees to carry out their allotted functions, powers are provided to them to administer Crown land, enter land for the purpose of reading meters, close roads, control connections to their works, require works to be carried out and, in the case of sewerage works, compel connections. Licensees will be legally liable to compensate any person who suffers damage as a direct result of their conduct, including damage resulting from flows of water caused by the licensee's negligence. Licensees will be required to keep separate accounting records relating to their licence functions and must make regular reports to the responsible minister, the Regulator-General and to its customers.

Part 4 of the bill provides for the establishment of Melbourne Parks and Waterways (MPW) as a statutory corporation. MPW is constituted to acquire, hold and manage all parks and waterways in the Melbourne metropolitan area for the purposes of conservation, recreation, leisure, tourism and navigation.

Part 5 of the bill deals with the transfer of assets, liabilities and staff from Melbourne Water Corporation to the retail licensees. Such transfers will be at the minister's direction and subject to an allocation statement.

Part 6 of the bill contains general administrative provisions relating to the making of regulations and the service of documents.

Part 7 of the bill contains numerous amendments to the Water Act 1989 and generally extends the operation of provisions of the Water Act to include persons holding licences and Melbourne Parks and Waterways.

Part 8 of the bill effects amendments to the Melbourne and Metropolitan Board of Works Act 1958.

Part 9 amends certain other acts.

I commend the bill to the house.

Debate adjourned for Hon. B. T. PULLEN (Melbourne) on motion of Hon. C. J. Hogg.

Debate adjourned until next day.

LIVESTOCK DISEASE CONTROL BILL

Introduction and first reading

Received from Assembly

Read first time for Hon. W. R. BAXTER (Minister for Roads and Ports) on motion of Hon. R. M. Hallam.

GAS INDUSTRY BILL

Second reading

Hon. R. M. HALLAM (Minister for Regional Development) — I move:

That this bill be now read a second time.

This bill is enabling legislation for the commencement of reforms to the gas industry in Victoria. It marks an important beginning to the restructuring of the Gas and Fuel Corporation of Victoria (GFCV), and to the reform generally of the gas industry in south-eastern Australia.

The government's key objectives for the reform of the gas industry are to achieve the lowest sustainable gas prices for Victorian consumers, ensure long-term security of supply, and reduce public sector debt.

To achieve these objectives, the reform strategy will aim to:

encourage greater competitiveness in the industry through new gas exploration and development, and the development of an efficient national gas market;

enhance the efficiency of government business enterprises in the gas industry;
enhance customer choice by maximising competition; and

provide a light-handed regulatory framework which encourages commercial behaviour while protecting captive customers.

The bill focuses on the first step in the government's reform agenda for the gas industry. It will provide for the disaggregation of the Gas and Fuel Corporation of Victoria to facilitate the necessary first step toward an efficient and competitive Victorian gas industry structure. This legislation is consistent with the government’s policy to support the efforts of the Council of Australian Governments (COAG) to implement Hilmer recommendations, and similar provisions are being implemented by commonwealth government and state governments around Australia. While the government itself accepts the responsibility for the reforms, it is important to note that Esso and BHP have recently confirmed their support for the government's gas reforms as an important step in achieving the objective of free and fair trade in gas.

Subsequent reforms, such as the development of an economic regulatory system to be administered by the Office of the Regulator-General, the implementation of a third-party access regime to pipelines and the facilitation of the free and fair interstate trade in gas will be introduced in subsequent legislation. At that time responsibility for technical regulation currently undertaken by GFCV will be reviewed.

GFCV has contracts with many parties, not least of which are the gas supply contracts with Esso-BHP — the joint venture producers that developed the oil and gas fields in Bass Strait. The government will respect the commercial integrity of the existing supply contracts with Esso-BHP. Contracts with Esso-BHP will be transferred to the gas distribution corporation (Gascor). In effecting the restructure, care has been taken to ensure that the legislation does not adversely affect the position of producers in relation to the contracts.

In reforming the gas industry the government is committed to safeguarding the interests of the preference shareholders of GFCV. Under the restructure, preference shareholders of GFCV have been offered the choice of:

1. retaining their preference shares with all of their existing rights, including the right to receive a fixed dividend yield and the right to elect preference directors to the GFCV board; or

2. selling their preference shares to the state for a price determined by an independent expert to be fair and reasonable.

The government will also provide a guarantee to GFCV to ensure it will always be able to meet the obligations — that is, dividends and return of capital on winding up — to the preference shareholders who elect not to sell their shares.

Furthermore, the legislation will expressly authorise the directors of GFCV to pay dividends to the preference shareholders even if there are no profits in GFCV. The interests of preference shareholders will therefore be safeguarded by the state.

To give preference shareholders the option of selling their shares for a fair and reasonable value the government has obtained an independent expert’s assessment of the value of the preference shares. Based on that assessment the government has offered $2.36 for each 6 per cent preference share and $2 for each 4 per cent preference share, which is the top end of the range of values assessed by the independent expert.

The intention of the legislation is to transfer all of the assets and liabilities of GFCV to the Gas Transmission Corporation (GTC), Gascor or the state, except for certain assets and liabilities retained by GFCV. The transfers are detailed in the bill and schedules. Thus, the legislation itself clearly allocates assets and liabilities. Anything not remaining in GFCV or being transferred to GTC or the state will be vested in Gascor. Therefore, on the passing of the legislation, neither the directors of GFCV nor any minister of the Crown will have any discretion in the allocation of the assets and liabilities of GFCV to GTC, Gascor or the state, or the retention of any of those assets or liabilities by GFCV.

Part 1 states the purpose of the bill and includes definitions. Part 2 provides for the establishment of the two gas corporations, GTC and Gascor and sets out their functions and powers. GTC will perform a gas transmission function and will be prevented from trading in gas to ensure that it provides an independent transportation service. Gascor will provide a gas distribution service and trade in gas.

Part 3 provides for the transmission and distribution of gas. Part 4 provides for elements of technical regulation. These provisions are largely modelled on similar provisions in the Gas and Fuel Corporation Act and deal with such matters as tariffs and conditions, billing, protection of domestic consumers, gas quality, and meter installation.
Part 5 generally replicates the Gas and Fuel Corporation Act and provides Gascor and/or GTC with the necessary powers to acquire land and to undertake works on public and private land. It also contains similar penalty provisions to the Gas and Fuel Corporation Act.

Part 6 deals with easements of GTC and Gascor. Elsewhere, the bill also provides for all easements currently held by GFCV to be converted to statutory easements and to be transferred to Gascor and/or GTC. It is not anticipated that this will affect the rights of landowners in any practical sense.

Part 7 provides for the transfer of property, rights and liabilities to the new gas companies. Various assets and liabilities will be retained by GFCV, which will manage the residual and property matters. Transfers to the new gas companies will be at 30 June 1994 book values, although the directors and management of both companies will be able to review these values during the course of the financial year. The ownership of GFE Resources Ltd, the wholly owned exploration and production subsidiary of GFCV, will be transferred to the state pending a possible future sale.

Part 8 provides for the transfer of staff from GFCV to Gascor. All entitlements, including superannuation and continuity of service, will be preserved. Staff will not initially be transferred to GTC, as GTC will be operated under service agreements with Gascor. In due course, the board of GTC will make offers of employment to staff.

Part 9 deals with general matters and contains provisions in relation to emergencies, offences, evidentiary matters, ministerial delegations, Treasurer’s guarantees and regulation-making powers.

Part 10 contains transitional provisions in relation to the preparation of financial statements by the new gas companies and GFCV for 1994-95.

Parts 11 and 12 of the bill provide for consequential amendments to the principal act, the Gas and Fuel Corporation Act 1958, and other acts. Part 13 of the bill relates to the statutory novation of certain financial obligations of the GFCV and deals with technical issues which have arisen as a result of the statutory novation.

The bill will have no impact on end prices to gas consumers. In the long run, as is outlined below, the reforms initiated by the bill and subsequent reforms will lead to the lowest sustainable prices to gas consumers. The separation of transmission from distribution is merely the first step in the reform process.

This legislation further demonstrates the government’s support for the work being done by COAG to encourage and implement free and fair trade in gas between states so as to create a competitive eastern Australian gas market. However, it is important to recognise that there is a major impediment to the reform of the gas industry which requires resolution. This is needed not only for reforms to proceed in Victoria but also for there to be free and fair trade in gas between the states. Of course, the impediment is the commonwealth’s Petroleum Resource Rent Tax (PRRT) which was levied on Bass Strait gas production from July 1990. In addition to the discriminatory application of this tax to Victorian gas, a complex arbitration is in progress as to which of the parties is liable to bear this tax.

GFCV and Generation Victoria are disputing any liability and the GFCV arbitration is soon to begin. Victoria’s ability to comprehensively implement its gas reform agenda is dependent on the satisfactory resolution of these PRRT disputes. This will require the active involvement of the commonwealth government.

It is proposed to introduce further legislation in the autumn 1995 session of Parliament to establish a comprehensive economic regulation framework, which will include a third party access regime and transportation tariffs. These arrangements will be developed in conjunction with the Office of the Regulator-General.

In summary, the bill represents a major step towards achieving the government’s objective to restructure the Victorian gas industry. While the government recognises that many of the benefits of reform are long term, it should be remembered that the gas industry is founded upon long-term investments. The separation will provide the necessary environment and stimulus for a competitive gas industry to develop. It is a key step towards encouraging further gas exploration, development and production as well as moving towards an environment that will deliver the lowest sustainable prices to Victorian consumers.

I commend the bill to the house.
Debate adjourned on motion of Hon. D. R. WHITE (Doutta Galla).

Debate adjourned until later this day.

SUPERANNUATION ACTS (FURTHER AMENDMENT) BILL

Second reading

Hon. R. M. HALLAM (Minister for Regional Development) — I move:

That this bill be now read a second time.

Reform of public sector superannuation has been one of the great success stories of this government. Honourable members will recall that two years ago the unfunded liability of the state’s superannuation schemes stood at $18.5 billion and was increasing at an alarming rate. If no changes had been made, that liability would have risen to nearly $30 billion in the early part of next century.

Last year, however, after an extensive process of consultation the government reached agreement with public sector unions on a range of changes to reduce the costs of public sector superannuation and place the schemes on a more sustainable footing. Those reforms were embodied in the Public Sector Superannuation (Administration) Act 1993.

Since then, the turnaround in superannuation finances has been nothing short of remarkable. As the Treasurer revealed in his budget speech, the total unfunded liability has fallen by $3.8 billion to $14.9 billion as at 30 June this year. More significantly, that liability is now expected to flatten out at about that figure and then start to decline instead of ballooning out to the unsustainable levels that were previously expected. A key element of the government’s reforms is that new public sector employees are being placed on fully funded accumulation schemes. This will enable the unfunded liability to be eliminated completely by the 2030s.

While last year’s legislation made major changes to benefit design, the bill is mainly concerned with technical and administrative matters. Victoria’s superannuation schemes have developed in a way that can only be described as chaotic: as new schemes have been created and new features added, the old schemes have been left in place or their benefits grandfathered into the new legislation. The result has been a patchwork of different acts, schemes and boards, many of them covering very small numbers of members, which defy comprehension and impose a huge unnecessary administrative cost.

In 1988 the previous government made a start on rationalising the funds into industry groups but the process was never followed through; the old schemes continued to exist alongside the new ones they created. Increasing mobility within the public sector work force and the increasing complexity of commonwealth regulation have made matters worse than ever.

The bill will improve superannuation administration in three main areas: the rationalisation of funds, the standardisation of legislative provisions, and the repeal of obsolete provisions.

Last year officers of the Department of Finance were able to identify 91 separate public sector superannuation funds, although in some cases it was not clear whether there were any surviving members. A major part of the problem was addressed last year when five of the largest funds — the State Superannuation Fund, the Transport Superannuation Fund, the Casual Employees’ Superannuation Fund, the SERB Fund and the MTA Fund — were brought together under the new Victorian Superannuation Board. It is intended that when the reforms are complete all of the budget sector schemes will be under one of three boards: the Victorian Superannuation Board, the Emergency Services Superannuation Board or the Hospitals Superannuation Board.

This bill will further that process by winding up the Police Pensions Board and transferring its assets and responsibilities to the Emergency Services Superannuation Board. There are no active members left in the Police Pensions Fund, but there are about 530 pensioners, whose benefits will continue unchanged. The move will save an estimated $250 000 per annum in administrative costs.

Another move towards rationalisation of funds has been the transfer of former employees of municipal electricity undertakings from the local authorities and City of Melbourne schemes to the Victorian Electricity Industry Superannuation Fund. This bill provides for the transfer of assets to accompany those members, and for their former employers to be charged for a sum representing any unfunded liability in respect of those who transfer. This is the method which will be used for similar transfers in the future, so the other superannuation acts are...
being amended to insert powers for the funds to charge specific amounts to employers for this purpose.

Under the heading of standardisation of legislative provisions, a number of amendments are being made to bring the different superannuation acts more closely into line with one another and with the requirements of commonwealth law. The definition of 'disability' in most acts, for example, does not appear to meet the test of permanence required by the commonwealth preservation standards. An appropriate standard definition is therefore being inserted into all of the relevant acts.

Similar standardising amendments are being made to the definitions of 'contract officer' and 'exempt officer', to the quorum provisions in the Hospitals Superannuation Act 1988, and to the various provisions for benefits to legal or de facto spouses. These latter provisions are now fully consistent with the commonwealth Sex Discrimination Act, which applies to superannuation funds as from this year.

Another area requiring standardisation is the timing of disability retirement. Ambiguities in the Transport Superannuation Act 1988 last year allowed employees who had already left the work force to apply for and be granted disability benefits. This and other acts are now being amended to make it clear that a person cannot receive a disability benefit if he or she has already left employment for some other reason.

Where possible, superannuation provisions should be confined to the superannuation acts themselves; beneficiaries and fund administrators should not have to keep abreast of a whole range of other acts to determine superannuation entitlements. The superannuation provisions for school principals on salary packages, which are currently found in the Teaching Service Act 1981, are therefore being relocated to the State Superannuation Act 1988 and the State Employees Retirement Benefits Act 1979 and are being standardised along the lines of the provisions for other contract officers under those acts. This move has the support of the Victorian Principals Federation.

The third major area of legislative change is the repeal of obsolete or superseded provisions. For example, when the smaller funds were brought under the Victorian Superannuation Board, their old boards were kept on as advisory committees for a transitional period. Since these committees no longer function, the sections of the acts which govern them are to be repealed. Other outdated sections are to be found in the Police Regulation Act 1958, the superannuation provisions of which have hardly been touched since the 1970s. Only the provisions affecting the small number of remaining pensioners in the Police Pensions Fund will be retained.

The changes made last year to the frequency of pension indexation, which have never come into effect due to a decision of the commonwealth Insurance and Superannuation Commissioner, are also being repealed. The indexation provisions will all be restored to the way they were prior to 1 January 1994.

In addition to these three main areas of change, there are a large number of minor amendments which correct previous ambiguities or errors in the legislation. Among other things, they will ensure that death and disability benefits for prescribed firefighters in the State Superannuation scheme are calculated correctly and that members of the new accumulation scheme can vote in elections for representatives to the Hospitals Superannuation Board.

The measures in this bill will yield significant savings to the taxpayers of Victoria and will make public sector superannuation serve the needs of its members more effectively. They demonstrate the government's continued commitment to genuine superannuation reform.

I commend the bill to the house.

Debate adjourned on motion of Hon. T. C. THEOPHANOUS (Jika Jika).

Debate adjourned until next day.

PROSTITUTION CONTROL BILL

Second reading

Debate resumed 29 November; motion of Hon. HADDON STOREY (Minister for Tertiary Education and Training).

Hon. JEAN McLEAN (Melbourne West) — The opposition is opposing this bill. I certainly have very grave concerns about many of its aspects, especially as it does absolutely nothing to protect the interests or the welfare of the women involved in the industry or members of the community. It appears that the only real beneficiaries of this bill are the existing brothel owners.
Hon. B. W. Mier — Yeah, the pimps!

Hon. JEAN McLEAN — Thank you, Mr Mier. Those very lucrative businesses are unlikely to have any new competition because the rules and regulations in this bill make the setting up of new brothels almost impossible. It seems impossible for legislators to be particularly honest about the subject of prostitution. The debate about the sex industry is always surrounded by cant and hypocrisy. During wars prostitution has always been sanctioned, albeit unofficially, and the latest publicity that we have heard about the so-called comfort women used by the Japanese in World War II has once more highlighted this particular truth.

The right of members of the military forces to look after their needs, as it is so coyly put, by payment or force is all part of the acceptable macho image of the military game. Thousands of women recruited into brothels around the US bases in Subic Bay and the Clark airforce base in the Philippines were infected with sexually transmitted diseases and HIV as a result of their contact with the US military forces. Although it was clearly the servicemen who bought in the disease and spread it by having sex with the prostitutes, it is always the prostitutes who are blamed.

Those women were left with absolutely no support or assistance once the bases were closed. This situation in one form or another has been condoned by all armies over many years, including our own.

Hon. Haddon Storey — What about the Koreans?

Hon. JEAN McLEAN — Sure, I am not singling out any country. It is very much a male macho attitude rather than any particular country. In the New Internationalist, articles about prostitution —

Hon. M. A. Birrell — In what?

Hon. JEAN McLEAN — Don't you read the New Internationalist? You really should. In the February 1944 edition —

Honourable members interjecting.

Hon. R. M. Hallam — I wouldn't have read that in 1944!

Hon. JEAN McLEAN — Sorry, 1994. It states:

The United Nations believes that at least 10 per cent of the world's female population in urban areas earns all, or part, of their living from selling sex. And this is on the increase.

Hon. R. M. Hallam — 10 per cent?

Hon. JEAN McLEAN — Of the world's female population. These are the United Nations' figures.

Hon. M. A. Birrell — Urban! That is lot of nonsense!

Hon. JEAN McLEAN — This just happens to be United Nations' figures. You can take the argument up with them!

An Honourable Member — It would not apply here!

Hon. JEAN McLEAN — No, it does not necessarily apply here, but it is all part of the same attitude!

Hon. R. M. Hallam — If it doesn't apply here, what is the relevance of it to the debate?

Hon. B. T. Pullen (to Hon. R. M. Hallam) — Why don't you wait for your own chance!

Hon. R. M. Hallam — We are trying to legislate here!

Hon. JEAN McLEAN — Yes, exactly! And the problem is — —

The DEPUTY PRESIDENT — Order! Mrs McLean will do well to ignore the interjections and continue with her speech.

Hon. Rosemary Varty — Deal with the bill!

Hon. JEAN McLEAN — I am dealing with the bill, thank you. The bill before the house demands that prostitutes in brothels — not the customers — have fortnightly medical check-ups for sexually transmitted diseases, even though, as we know, HIV does not show up in tests for at least three months. That is exactly opposite to the advice given by the intergovernmental committee on AIDS, the reason being that it leads to a false sense of security and the encouragement of unsafe sex.

Australia has reversed the spread of AIDS in large part because of the promotion of safe sex by prostitutes. It is a pity that this bill seems to accept the same old attitudes of blaming the sex worker and not the client for being the initial source of...
sexually transmitted diseases. It is interesting that although prostitution has and continues to thrive in various forms in Victoria ——

Hon. Rosemary Varty interjected.

Hon. JEAN McLEAN — They have thousands of customers weekly.

Hon. Louise Asher — Thousands?

Hon. JEAN McLEAN — I have not yet met a man who admits to having used the services of a prostitute. They often claim, of course, personal moral objection and usually add that they’ve never had to pay for it! But sex workers are becoming an accepted and an expected sideline of the tourism and casino boom. Our scummy casino chips are accepted as legal currency in local brothels. That apparently is quite acceptable.

Hon. R. M. Hallam — Prove it.

Hon. Haddon Storey — Where?

Hon. JEAN McLEAN — You people ought to know!

Hon. R. M. Hallam — Why are you picking on Haddon? Why should he know?

Hon. JEAN McLEAN — The minister might ask me that.

The DEPUTY PRESIDENT — Order! Mrs McLean, without so much interjection.

Hon. JEAN McLEAN — No voice of horror, no moral indignation expressed by our government, just a suggestion that it does not happen. Many commercial hotels have arrangements with escort agencies. They even have telephones that you can pick up in your room and order whatever sort of service you want. That is a clear sign that our government considers the perceived economic interest to be more important than the so-called moral values its members constantly espouse. It is deeply disturbing to me that we are part of the new wave of world tourism that is made up of package tours with all services supplied, including prostitution.

This bill acknowledges that prostitution exists and it creates rules for legal brothels. However, it has failed to address the main issues that would support the women who make up the major part of the sex industry. The moral indignation appears when dealing with the particular issues of those women. Instead of allowing, for instance, one-or-more-person brothels to operate without a licence in residential areas this bill says one or two-person brothels can be set up but they have to be in non-residential commercial areas, which means a planning permit they would not get. If they did set it up the women would be more vulnerable than ever because there is a moral objection to women being secure in their own homes but apparently there is no moral objection to the brothels that work to help our industry.

Hon. Rosemary Varty — What about next to schools and kindergartens?

Hon. D. A. Nardella — Come in spinner!

Hon. JEAN McLEAN — Even if they were next to kindergartens that would not necessarily harm the kindergarten, or the women. I wonder sometimes if you have any idea what goes on in the suburban home.

Hon. D. A. Nardella — Good point.

Hon. JEAN McLEAN — Allowing women to work in a house without anonymity and privacy ——

Hon. R. M. Hallam interjected.

Hon. JEAN McLEAN — It really is part of this crazy hypocrisy: don’t let the children see it. This rule means that an illegal industry will operate. Prostitutes will still work out of their homes, as they always have. If they do not they will be confined to the existing legal brothels, which eliminates further competition, which is apparently a lot of what this bill is about.

The bill ignores the right of women who work in this industry to be protected. The calls for decriminalisation of street workers have been dismissed even though the Salvation Army, which deals directly with prostitutes, has made it clear that it believes street prostitution should be decriminalised so it can assist prostitutes with necessary services instead of leaving them vulnerable and on their own.

The Salvation Army — which happens to be in St Kilda and knows what is going on — and the Catholic Church propose amendments to avoid harsh penalties against prostitutes. Instead of being
charged, the Salvation Army suggests street workers should be directed to registered welfare and health agencies for help. The reason the Catholic Church and the Salvation Army say that is because they are aware of the real situation; they are not trying to pretend that if we increase fines for street prostitutes the problem will all go away. Government members and members on this side of the house are all aware that the most vulnerable people in the sex industry are the street prostitutes.

Many street workers are drug addicts and single mothers, often with psychiatric, social and economic problems, and they are the most vulnerable, the most in need of help. Despite that this bill ensures that they will continue to be harassed by the police, fined and forced back on the street to help pay their fines.

A young girl who went to school with my daughter became a drug addict. She was sent to Odyssey House where she was supposedly dried out or cured of her drug habit. She came out; within days she picked up again with the man who supplied her with the drugs, who also wanted her to pay for them. She went on the street in St Kilda. She is not a person who would decide to work in a brothel because she does not see herself as a prostitute; she just needs the money to pay for the drugs she still needs. She is in grave danger when she works on the street in St Kilda. She has no proper protection from society, the police, or the violence that goes on with the men who prowl around those areas.

Every so often the police, who usually allow a certain number of fines to accumulate and let the women go back on the streets, decide to refuse to do that and charge them and the women are unable to pay those fines. Those young women are vulnerable on the streets and they incur criminal records. While I was visiting Fairlea Prison I spoke to a woman who had been working on the streets for some time and was in gaol for the non-payment of fines amounting to about $3000. She was studying to do her leaving certificate as it was then called, even though in those days study was not encouraged by prison warders.

A few of us paid her fines and she was able to get out of Fairlea and do her examination. We did not know whether she would go on to study. We heard from her for a while and then we did not hear from her any more. A few years later I ran into her at Sydney University so I asked her what she was doing. I thought she might have been working there, which shows that we do not always have enough faith in people. She was doing her master's degree. She had been given the opportunity to break the cycle and she had taken it. Because she had been supported she had been able to make that step.

I am not suggesting that every street prostitute in St Kilda wants to do a master’s degree, but the illegality of street prostitution and the hounding of young women turns them into criminals. There are agencies to help them. The government should be helping them to break the vicious cycle that ensures they end up going back on the street to pay the fines.

The Attorney-General has suggested that legalising street prostitution would encourage women to enter that part of the trade. That seems to be a very naive suggestion. Obviously the Attorney-General has not talked or listened to prostitutes. She has not listened to the Greens St residents who have said, 'We are not against prostitution; we are against the men who create the violence against the prostitutes and would like the police to stop those men and their violence'.

Hon. Rosemary Varty — Isn't that what this bill does?

Hon. JEAN McLEAN — No, it continues to make street prostitution illegal. This government is ignoring the fact that women who work on the streets usually do it out of desperation. Often they have no other way of paying for their drugs or fines. Often they are homeless and unable to get work in registered brothels. Many of the women who live in the area are under threat because of the illegality of street prostitution and the gutter creepers. The bill will do nothing to stop that, or the fines, criminal records and police persecution which cost taxpayers a fortune and destroy young lives that could be helped.

This issue of the New Internationalist contains an article about the Scottish National Party's annual conference, where this very debate was raised.

Hon. Haddon Storey — Is it the same issue as last time?

Hon. JEAN McLEAN — It is about the decriminalisation of prostitution.

Hon. Rosemary Varty — Generally, or street prostitution?

Hon. JEAN McLEAN — The decriminalisation of street prostitution.
Hon. Rosemary Varty — So it's general decriminalisation?

Hon. JEAN McLEAN — It says:

Kay Miller, who proposed the decriminalisation motion, argued that 'Prostitutes supply a valuable service and deserve to be accorded the same respect as anyone else in society'. She pointed out that she had worked for 10 years in the defence industry and 'if that isn't classed as immoral earnings, I don't know what is'.

It is in the interests of patriarchy to condemn the selling of sex as immoral at the same time as making full use of the services provided. Such hypocrisy was encapsulated most famously by Shakespeare in King Lear:

Thou rascal beadle, hold thy bloody hand!
Why dost thou lash that whore? Strip thine own back:
Thou hotly lust'st to use her in that kind
For which thou whip'st her.
The whore was presumably lashed nonetheless. And Kay Miller lost the debate. But before she did, she drove her point home: 'Every last person that has come up here and slated off this motion has been a man. What in the hell's name is wrong with them?' Perhaps the answer lies in their trousers.

I thought that was a nice quote. The Prostitutes Collective of Victoria has issued an excellent publication providing 10 reasons for the decriminalisation of street prostitution. I recommend that the government amend the bill to take on board those proposals. If the government is sincere about wanting a genuine solution to street prostitution it should have the courage to address one of the major causes. In an article in the Age of 7 November, Claude Forell —

Hon. Louise Asher — Is he an expert on prostitution?

Hon. JEAN McLEAN — I do not know. As I said before, I have never met a man who has admitted any knowledge of prostitutes. Men only know what they have read. No man has ever visited one, even though thousands of men do! What has happened recently in England and the United States of America is very interesting, Ms Asher. Some well-known madams have done some outing, so to speak, by listing their customers. Fortunately that has not occurred here.

Hon. ROSEMARY VARTY (Silvan) — It is interesting to note that not only did Mrs McLean’s contribution not deal with the bill but it directly contradicted what her colleague in the other house the honourable member for Melbourne, Mr Cole,
said on a range of issues. It is clear that she obviously has not read what he had to say.

The Prostitution Control Bill is a genuine response to a very difficult issue.

Hon. B. E. Davidson — You harass the victims.

Hon. ROSEMARY VARTY — You obviously have not read the bill. Until 1975 criminalisation of prostitution and related activities was the order of the day. In 1975 planning legislation was passed to allow certain massage parlours to operate legally with council permission.

Hon. Jean McLean — But prostitution was always there. Whatever they called it, it has always been the same thing.

Hon. ROSEMARY VARTY — I never at any stage said it was not; I said it is an issue we all have to deal with.

In 1984 the Planning (Brothels) Act established town planning permits. Mrs McLean was quick to talk about how we should address the moral issues — —

Hon. Jean McLean interjected.

Hon. ROSEMARY VARTY — At no stage did your government address the moral issues. It treated the issue purely on a planning basis.

Hon. D. A. Nardella — That’s right; so they should be treated.

Hon. ROSEMARY VARTY — There was no addressing of the moral issues, and that is what you are advocating, Mrs McLean.

Hon. Jean McLean — No, I am saying you do not address them.

Hon. ROSEMARY VARTY — You did not do it either. The Planning (Brothels) Act allowed permits to be granted in brothels in certain commercial and industrial zones. It exempted sex workers who worked in those premises from criminal liability. In fact, councils were given the dual role of considering permit applications and then adopting the licensing function. Refusals by councils were usually passed to what was then the Planning Appeals Board. In other words, by and large councils opted out of the decisions on those issues.

In 1985 one of the main issues in the Nunawading Province re-election was the brothels issue.

Hon. Jean McLean — They don’t like it in Nunawading; they want to practise it in someone else’s backyard.

Hon. ROSEMARY VARTY — There are a number of legal brothels in the area, Mrs McLean, in case you ever go out that way.

One of the major issues was the fact that an as-of-right situation was created by that 1984 act that did not allow any discretion in certain areas. Mrs McLean said she does not care whether brothels are located next to kindergartens or child-care centres.

Hon. Jean McLean — If there is a one or two-person brothel next to a kindergarten no-one would probably know. They may already exist. How would you know?

Hon. ROSEMARY VARTY — As I said in a speech in this house on a private member’s bill that I introduced in 1985:

People felt so strongly about this issue that some of the public meetings held during the Nunawading Province by-election campaign attracted an attendance of more than 800 people. Most of the municipalities in the Nunawading Province hold the view that they should have the right to decide on this particular issue.

The Nunawading Province re-election was held on 17 August. On 20 November 1985 I introduced a private member’s bill into this house, the purpose of which was:

... to correct this totally unacceptable erosion of community and family values and to reinforce the ability of municipalities to prohibit brothels, within the whole or part of a municipality, whilst still enabling the minister to reject such a proposition in the final resort, where he can demonstrate that the council’s move does not have local support.

On the same day the then Minister for Planning and Environment, the Honourable Evan Walker, responded by saying the government did not accept the bill and:

Although I understand the reasons for introducing the bill, I reject its major nub, which is to give total discretion to municipalities rather than to allow the normal planning processes to apply. The practical
PROSTITUTION CONTROL BILL

Wednesday, 7 December 1994  COUNCIL  1269

The existence of prostitution in our society is, at least in part, a reflection of the economic and social inequalities which make it seem an attractive career choice for some people and of the sexual inequalities which suggest that men are entitled to expect satisfaction of their sexual needs. We agree with the strategy proposed by the United Nations which supports the removal of these inequalities, resulting in the creation of a society in which men and women do not find prostitution a necessary or desirable activity.

Professor Neave’s report recommended a mixture of criminal sanctions, decriminalisation and regulation measures. In 1986 the Prostitution Regulation Act was promulgated. The bill was amended in this house but the amendments were never proclaimed.

The laws relating to prostitution are covered not only by the Prostitution Regulation Act but by the Planning and Environment Act and provisions in the Town and Country (Miscellaneous Provisions) Act. Guidelines have been developed for the location of brothels. The health brothels regulations were promulgated to take account of a number of health issues.

The non-proclamation by the then Labor government of some sections of the 1986 act resulted in the non-establishment of the licensing board, which meant there was no satisfactory mechanism for policing compliance with the act. It created major difficulties in monitoring and regulation of legal brothels.

During the debate in the other place, the opposition’s approach was to treat this matter as a planning issue, to overcome the problem by having a minimum wages award and to say that it was an industry. The opposition opposed the policing of entry rights to suspected illegal brothels and the prosecution of gutter crawlers, provisions for which are contained in the bill. The opposition argued that people soliciting the services of prostitutes should not be prosecuted. Surely it would not say the same thing about people entering an illegal gaming casino. I presume it would prosecute people found in illegal gaming premises, but it does not want people who solicit the services of prostitutes prosecuted. The lower house debate centred around provisions to prosecute those found in illegal brothels. I do not understand the argument. Is the opposition saying that people found gambling in illegal gambling premises should not be prosecuted?

Hon. Jean McLean — How do you know whether a brothel is legal?

Hon. ROSEMARY VARTY — It is the same argument if one enters illegal gaming premises; it is a nonsense proposition. There was total opposition to licences and penalties. In fact, the debate in the other place was unbelievable.

As a member of the Attorney-General’s working party on prostitution, I had the opportunity of speaking with a wide range of people and groups interested and involved in this issue. Mrs McLean mentioned some of those groups. A large number of groups ranging from prostitutes, brothel owners,
police and academics made presentations to the committee. Legislation in other states was reviewed.

According to the gaming and vice squad of the Victoria Police there are 1000 prostitutes in escort agencies, 50 prostitutes working on the streets and at least 83 illegal brothels employing some 500 workers not covered by the legislation. That can be compared with about 400 workers in some 67 legal brothels. A large area of the prostitution industry is not covered by legislation. In addition, there has been a large growth in bondage and discipline centres, peep shows, table-top dancing and massage parlours that offer explicit sexual services. The number of prostitutes working in escort agencies range from 1000 to 4000 a year. This can be compared with the 400 legal brothels.

Mrs McLean did not address the fact that so many areas of the prostitution industry are not covered by legislation.

For the Northern Territory legislation was enacted in 1992 to license escort agencies. South Australia, Queensland and the Australian Capital Territory have brought escort agencies within the ambit of their legislation. The huge increase in the number of escort agencies, if there is to be effective regulation of prostitution, has forced the government to bring them under the ambit of the act. As a consequence, Part 3 requires the licensing of these agencies.

I turn now to the provisions of the bill, which were the result of lengthy consultations by the working party.

The government acknowledges that massive changes have occurred in the industry in the past 10 years. The fact that various sections of the previous legislation were not proclaimed has clearly had a major impact and effect.

Part 2 of the bill deals with offences connected with prostitution. One of the most important areas is the provisions concerning children, an area that should have been picked up in the previous legislation but was not. I hope that although the opposition is not supporting the legislation it will at least support the concept of the provisions in the bill concerning child prostitution.

Hon. D. A. Nardella — It is on the public record that we support those provisions.

Hon. ROSEMARY VARTY — I would be interested to hear that. Mrs McLean did not even address that issue, so one would assume she is not supporting those provisions.
lengths to say that nothing has been done about that, but she has not read the bill.

Hon. Jean McLean interjected.

Hon. ROSEMARY VARTY — It would have been wise for Mrs McLean to have actually read the bill. Clause 23 is a special provision for small owner-operated businesses. Subclause (1) states:

(a) a person carrying on a business of a kind referred to in the definition of 'brothel' in section 3 at premises in accordance with a permit granted under the Planning and Environment Act 1987 if only that person works as a prostitute at those premises or only that person and one other particular person so work;

(b) two persons who either jointly or separately carry on such a business at premises in accordance with a permit granted under the Planning and Environment Act 1987 if only those persons work as prostitutes at those premises.

It would have done Mrs McLean well to have referred to that.

I turn now to the Prostitution Control Board. Provisions concerning a proposed licensing board were also not proclaimed in the original act. Clause 25 of the bill puts in place the Prostitution Control Board. Subclause (2) provides:

The Board consists of 7 members appointed by the Governor in Council on the recommendation of the Minister of whom —

(a) one, who is to be the chairperson, shall have been enrolled for not less than seven years as a barrister and solicitor of the Supreme Court or of the High Court of Australia.

Hon. Jean McLean — How many prostitutes are on that?

Hon. ROSEMARY VARTY — That refers to the advisory committee. You have not read the bill.

Hon. B. E. Davidson interjected.

Hon. ROSEMARY VARTY — I am currently talking about the Prostitution Control Board, Mr Davidson, so perhaps you should also read the bill. There are two levels — the control board and an advisory board. It would do opposition members well to read the bill. Clause 25(2) goes on to describe who shall be members of the board and what their functions will be.

Concern was also expressed in the lower house about provisions covering search warrants.

Hon. B. W. Mier — What about the rest of the control board?

Hon. ROSEMARY VARTY — I went through that and you were not listening.

The bill contains provisions to allow the police to enter unlicensed premises without a search warrant. For some reason during the debate in the lower house the Labor Party opposed those provisions. It is the gambling argument again, isn't it? The opposition is saying we should not have those provisions. This is an instance in which something needs to be controlled, and Mrs McLean admitted that. Yet when the government puts in provisions that will provide some measure of control opposition members run away from the issue like scalded cats. It is absolutely amazing!

Clause 67 establishes an advisory committee. I will go through that provision for the benefit of Mrs McLean, who has not read the bill. It might provide her with some information she can use. Clause 67(1) states:

There shall be an Advisory Committee consisting of persons appointed by the Governor in Council on the recommendation of the Minister to advise the Minister on issues related to the regulation and control of the prostitution industry in Victoria.

Subclause (3) states:

The members of the Advisory Committee shall include —

(a) Persons with knowledge of the prostitution industry in Victoria; and

(b) Persons who are representative of religious or community interest.

Mrs McLean spent some time telling us about the Salvation Army and Sacred Heart people. People representing a religious interest have an opportunity to be involved in the advisory committee. I hope Mrs McLean will take note of that provision.

Part 4 of the bill deals with planning controls on brothels and sets out details of locations in relation to which permits for brothels may or may not be granted. I again suggest Mrs McLean should read those provisions.
The bill makes a number of amendments to related acts. An amendment to the Travel Agents Act 1986 concerns overseas sex tours. I hope that that provision will be supported by the opposition because it does not seem to be supporting very much of what is in this important bill.

On an issue like this it is never possible to get it completely right, nor does the government suggest that it has got it completely right. I am sure everyone would like to be able to remove the prostitution industry, but that cannot be done. There is no way of removing the industry in this state. However, the fact that we regulate prostitution does not mean that we accept or support it.

Hon. Jean McLean — That is ridiculous! How can you control something and not accept it?

Hon. ROSEMARY VARTY — Opposition members display an ambivalence that astounds one. The sex industry is an exploitative industry, which Mrs McLean at least had the good grace to admit, and it is usually exploitative of women. It is an industry in which there are currently more illegal operators than legal operators, particularly in the escort industry.

This bill will bring escort agencies under the control of the act. As the Attorney-General said in the other place, there are no easy answers. I support the proposed legislation.

Hon. B. T. PULLEN (Melbourne) — As indicated by Mrs McLean, the opposition does not support the bill. The steps the government took in setting up the working party in 1992 had the potential to produce something that might have been welcomed by all members. The early indications were that it was heading in that direction.

Many people, including the shadow Attorney-General, put on the record their belief that the committee chaired by Mr Guest would come up with proper recommendations on the regulation and decriminalisation of prostitution in this state.

The one outstanding issue which relates also to the difference of opinion on this bill was that it appears the committee at no stage dealt with street prostitution. Unless we act to decriminalise street prostitution we are neglecting the worst area of prostitution in which women are the most vulnerable and open to exploitation.

We cannot have a beneficial debate without the report of the working party. If the community had that report available it could come to some conclusions, but it has not been made available under freedom of information legislation. We can only make a guess as to why it has not been released.

It has become clear from the contribution made tonight by Mrs Varty, contrasted with other comments made by other government members, that there is still enormous ambiguity within government on prostitution. On the one hand the bill recognises that prostitution is a social justice and health issue and it will not be moralised away, but on the other hand good legislation should move towards licensing, regulation and management and not simply moralise by reducing the incidence of prostitution.

Clearly the moralisers in the Liberal Party are still in the ascendancy. This is unfortunate because it has reduced the capacity of the bill to introduce provisions that would be welcomed by many people as progressive legislation. There was some doubt in Mrs Varty’s mind that there are aspects of this bill that are unequivocally supported by the opposition. That was made clear by the shadow Attorney-General in the other place.

Clauses 5, 6, 7 and 8 of the bill go to the question of harsher penalties for child prostitution and the exploitation of children. The opposition has no hesitation in supporting such measures.

Another point was made about sex tours overseas and exploitation of that kind which can lead to children in other countries being marketed and made available to provide sexual favours for travellers. The opposition has no hesitation in supporting tough measures in that area.

With respect to the establishment of the Prostitution Control Board and an advisory committee we hope over time these will comprise people who are involved in the industry, such as church members, agencies like the Victorian Council for Civil Liberties and others who will take a mature view. It will give them an opportunity to put their views and advise the government of the day on matters of prostitution. These are the pluses in the bill that the opposition acknowledges.

The legislation is flawed because it does not recognise the need to deal with the whole of the industry. The bill is half wishing the industry would go away and is moralising, but it is not taking the
practical steps towards improving it. The coalition parties are seeking to impose a clampdown on prostitution simply by imposing penalties. Such an attitude will do nothing for street prostitutes, who are the most vulnerable.

The government will not be practical and recognise what is occurring in escort agencies. On the one hand there is some movement towards licensing them and treating the industry in a similar manner to other industries, but at the same time there are the moral overtones that require to be given to the public that the government is still very tough on prostitution and will abolish it by increasing penalties. That flies in the face of all the practical experience.

The Victorian Council for Civil Liberties issued a media release on 27 October:

The Prostitution Control Bill which is currently before state Parliament does not go far enough in addressing the major issues of prostitution law reform, according to the Victorian Council for Civil Liberties.

‘Despite numerous recommendations from advisory committees at both a state and national level the government has failed to take the necessary step of decriminalising street prostitution’, said the President of the Victorian Council for Civil Liberties, Mr Robert Richter, QC.

Decriminalisation is the first and vital step in addressing the causes and results of street prostitution.

A recent study of street prostitutes has shown that they are often homeless, unskilled, impoverished and drug addicted. The criminal justice system is clearly the best appropriate mechanism in which to address these issues.

Mrs McLean made it clear by way of anecdotal evidence how futile it is to fine street prostitutes as they are reliant on income from prostitution because they have a drug habit that they cannot shrug off. When the police round them up and they are fined they are then burdened with having to pay that fine. They not only have to find the money to buy the drugs they need but they must also find the money to pay the fine, or they will end up in prison.

It means that when they get out of prison they have to go back on the street again. How does that help? It is just a cycle of despair. I point out to Mrs Varty that in this place we like to at least hear each other’s point of view. However, I find the moralising difficult and controversial when the result of that moralising is an increase in human misery. There is no benefit from it, it does not help anybody and it is not the job of legislators.

As the privileged people that we are in this house, we should try to do something a bit better. There is a wide range of people showing concern on this issue. You do not only have left-wing radicals saying that you have to address the matter in a better way, you have people from VCCL, people from the Catholic Church and those caring people trying to assist prostitutes by saying that treating street prostitutes as criminals is utterly wrong.

There are other problems, and decriminalising prostitution does not mean all the problems will go away. People will still have drug habits, they will still be homeless, they will still be in a society that might encourage them towards activities that do not increase their self-esteem. Treating them as criminals is of no benefit at all; it provides no assistance and does not recognise reality.

I point out that even the minister’s second-reading speech recognises this:

At the same time, we cannot fool ourselves that an attempt to completely suppress prostitution through criminal sanctions will ever succeed. Most Victorians recognise that prostitution will continue, whatever the law, as long as there is a demand for commercial sexual services.

The second-reading speech begins with a principle for recognition that you could start from, but it does not follow it through. The reason it does not follow it through is that this is an unresolved issue within the coalition party. There are people like the Honourable James Guest who I wish was here participating in the debate because he chaired the working party and has knowledge of the area from having heard evidence and various points of view from people. It is not often that I call for James Guest to speak in the house — —

Hon. B. N. Atkinson — He is out checking his prospectus on the Daily Planet!

Hon. B. T. PULLEN — In this case whatever one might say about James, I believe he has participated with others in trying to produce a report that addresses the problem. As I said before, it is unfortunate that we are not able to see that report and that it is not part of the public debate. As well as the quote from the Victorian Council for Civil
PROSTITUTION CONTROL BILL

Liberties, I shall quote from another document called 'Recommendations of the legal working party of the intergovernmental committee on AIDS'. It was produced by the former federal Department of Health, Housing and Community Services and deals with HIV and AIDS prevention. It is an intergovernmental report prepared by a considerable body of expertise — it is hardly coming out of the left field. It is a responsible body from a commonwealth department. In the section headed 'Sex workers and their clients', recommendation 6.1.1 says:

Laws (statutory and common law) criminalising industry work in brothels, escort agencies and on the street should be repealed. Laws applying to those associated with the sex industry such as living off the earnings of prostitution, except for offences relating to violence or coercion and exploitation of minors, should be repealed.

The document is saying that part, if not the principal, starting point for reform is to decriminalise in general areas while maintaining criminalisation for activities like exploitation of children, which is clearly necessary.

The crucial difference of opinion between the opposition and the government on this bill is the lack of attention to that crucial area of street prostitution. I have had discussions with the Prostitutes Collective of Victoria, which has tried to address this issue. It has come up with 10 points, which form a good general analysis on the situation, coming from people who are obviously very acquainted with the industry.

Point 1 of a document entitled 10 Reasons to Decriminalise Street Prostitution says that prohibition does not work. What the collective is saying is that although prostitution is legal in brothels, it is a crime to sell sex on the streets and the recent economic recession has seen the number of poor and unemployed entering into street prostitution escalate rapidly.

The house has heard from Mrs McLean an example of an acquaintance of her daughter who had fallen into prostitution. I believe that we should be concerned about people who are involved in prostitution and that we should recognise that it is not sort of some anonymous label that we can place on people. There is a human story behind every situation. The woman who is a prostitute was once a daughter and part of a family. At some stage something went wrong — if you want to put it that way — and that person's life became a problem. Do we want to make that person a criminal?

Clearly prohibition does not work; it just repeats that criminal cycle. Decriminalisation allows an opportunity to break that cycle and to look at sympathetic alternatives. That is why the agencies that are involved, namely the church agencies, are so supportive of decriminalisation. They see it as one way of assisting people to break their drug habits and get out of that cycle. That is the second point of the 10 reasons given by the Prostitutes Collective.

Decriminalisation is also an aid in preventing violence. When you look at the situation with street prostitutes who have been dealt with by the police and driven away from public places, you see that the violence does not stop. What it means is that prostitutes operate in less public areas, perhaps industrial areas and areas that are more dangerous. They are the people who get beaten up and raped. I believe last year there were two murders in that category.

The effect of not decriminalising street prostitution and not dealing with it is not to get rid of it, but to put it out of sight and to cause more misery. That is what I find difficult with the contribution made by Mrs Varty, who does not seem to exercise compassion or understanding of this area.

The fourth point made by the Prostitutes Collective is that decriminalisation would stop the costly legal merry-go-round. For instance, prostitutes are fined, they then come out and earn more money and then are fined again, as I indicated before.

Victoria and Australia have been remarkably successful with HIV; we have addressed the issue and have not tried to hide it. HIV education, which has included preventative sex activities and educating people in the use of condoms and other health procedures, has been candid and clear in getting its message across. I believe the public has responded. It has accepted that it is important for the government and agencies to make it clear that we have to face up to HIV and not pretend that it does not exist.

By working with gay groups and those involved in activities that could lead people to be more vulnerable to HIV and AIDS, we are seen as world leaders in addressing the issue. Why then in relation to prostitution where we license brothels do we not have the health aspect more properly handled?
Some people do not want to know about street prostitution. They will allow that to be pushed aside. By doing that they push all the health issues out of mind, but those issues do not go away. It is almost the worst combination: sexual activity with drug usage and poverty; the cycle of having to run around and hide and not be open. You actually create the worst kind of situation to encourage for progressive thought in relation to dealing with the AIDS problem. Yet that is what Mrs Varty is arguing for by not accepting the decriminalisation aspect of street prostitution.

Point 5 of this thoughtful document, 10 Reasons to Decriminalise Street Prostitution, is very clear. It is supported by the churches, informed reports, the Victorian Council for Civil Liberties and VCOSS. There are those who see this as an issue that is not being properly addressed by the government.

Point 6 enables the community to focus on decriminalisation of street prostitutes. Decriminalisation can help break the cycle of homelessness and poverty. In some sense we must deal with the stigma of street prostitution because if a woman — we are mainly talking about women in this situation — wants to give up prostitution and be accepted in some other area of employment, the stigma makes it much more difficult for that person, even with assistance, to move in to some other occupation.

I accept Mrs Varty’s concern in this area but I would have thought she would have wanted women involved in prostitution to have the opportunity to choose to move out into some other area. If you make prostitution a criminal activity and create that stigma it is even more difficult for a person to change and to find another occupation — another way of earning a living. We are not only talking about single women; a large number of children are involved; something like 46 per cent of women working as street prostitutes are mothers, and the majority are single mothers.

We should be concerned about these children. If a child’s mother is involved in an activity that involves the prison cycle, this cycle of running away from the police, we are, inadvertently perhaps, creating a very bad environment, a lesser environment, for the children involved.

It is no use saying, ‘I wish prostitution was not here’, and putting your head in the sand. The point that the government or some members of government have obviously not been able to face up to is that this is real and must be dealt with. Therefore let’s look at the best way of dealing with it rather than wishing it did not exist. The government intends that increasing penalties will drive prostitution away. At the same time there is an attempt to provide some regulation and some attempt to licence.

The licensing provisions are good, but they should have been carried through and have been much more systematic. I would like to have seen the original report to check its philosophy.

Point 10 of the document is that the collective believes decriminalisation will dramatically decrease the number of street prostitutes over a five-year period. They are arguing that if prostitution were decriminalised there would be an opportunity for the development of a more specialist service that is not on the street. The issue of safe houses and ways of dealing with the clientele could be addressed.

There is a demand for street prostitution, or prostitution of more anonymity rather than brothel prostitution which is not going to go away either. In a sense the industry is diversified, and that is unlikely to change.

Realistically there is a market segment which needs to be recognised but which could also be managed in a much better way. It is that leap of recognising that fact and talking about it freely and openly which does not seem to have occurred in the debate leading up to the introduction of this bill.

Another next point I want to make relates to escort agencies. There is considerable concern about this issue, and I urge the government to heed what I am saying. Clause 49 of the bill requires a licensed person to be in attendance all the time, which means 24 hours. The way escort agencies operate, that is just impractical. It will make them illegal. They will not be able to operate within the ambit of this act. It will actually drive them underground.

It would be almost impossible for anyone to do anything about that because those agencies operate as coordinating receptionist-type activities. By laying on them a requirement that is economically impossible for them to meet you do not decriminalise that area in the way you are decriminalising or licensing brothels. This is a very serious issue the government should address straightaway. I understand the escort agencies have made strong representations to government on that flaw in the bill, but I do not know if there has been any response at this stage.
In conclusion, I make it clear that the opposition supports some aspects of the legislation. The opposition does not want to be characterised as being soft on the exploitation of children or sexual exploitation of that kind. The opposition is totally opposed to that. It is not appropriate for Mrs Varty to suggest — given that I believe she should have read the debate in the other place — that the position of the Labor Party is otherwise.

The opposition believes the bill is flawed because it does not address the decriminalisation of street prostitution. For that reason the opposition cannot support the bill in the form it comes before the house today.

Hon. D. A. NARDELLA (Melbourne North) — I also wish to oppose this bill. There are a number of major flaws the opposition believes are encompassed within the bill and it does not support it because of those aspects. The bill does not deal with prostitution as a planning issue or a social issue; it deals with it as a moral issue. That was confirmed by Mrs Varty in her address to the house tonight. The bill should have dealt responsibly with decriminalising prostitution to reduce the misery and exploitation involved in it.

The bill arises from an internal, secret review headed by Mr Guest. Unlike the public consultative process that Professor Neave conducted in the mid-1980s, the coalition parties' inquiry included no outside involvement or expertise. That was not the best way for the government to go because the recommendations of that review were based on political considerations rather than pluralistic input and a genuine review of the issues. Those recommendations should not have been based on the prejudices of the right in Victoria and the government can be justifiably criticised for having undertaken a process that was flawed. To this day we have not had access to the report.

Based on that report the government has introduced a piece of legislation that will make major changes to the way prostitution is dealt with, and yet it denies the community and this house the opportunity to examine the report, see how the review came to its conclusions and conduct a debate based on the issues within its pages. That is not the way this government operates. The government is not open and accountable. It has not been open and accountable for the past two years so we should not be surprised that it is still not open and accountable. It is a bad way for the government to operate, especially when dealing with a critical piece of legislation.

I agree with Mrs Varty's remark that the opposition supports a number of clauses in the bill, particularly those concerning child prostitution. We must prohibit child prostitution and the legislation is crucial to that task.

I support the intent of clause 16 which provides that any person who behaves in an offensive manner in a public place with the intention of intimidating a prostitute commits an offence. That is an appropriate way to deal with offensive behaviour and I commend the government for taking that step. It was one of the issues people brought to our attention when they discussed with us the issue of prostitution and men cruising the streets. The legislation provides the wherewithal to control that and is supported by the opposition.

Because of its moralistic tendencies the bill wrongly focuses on mechanisms to control illegal brothels. Those mechanisms are inappropriate. The bill makes it an offence for a client to attend an illegal brothel. Instead of a brothel-keeper being prosecuted, the client will face potential prosecution. The legislation contains provisions whereby a legal brothel must have a notification or certificate on the door. I have not been in this situation but I imagine that when a man goes to a brothel, the last thing he looks for is a certificate on the door to say that it is licensed. He has other things on his mind. This bill penalises such men instead of dealing with the brothel-keeper who should be licensed.

The siting of brothels should be a planning issue; it should not be based on moral perceptions that make it a crime. Mrs Varty criticised the previous government for not adopting legislation to enable municipal councils to determine whether a brothel should be sited within its boundaries. At present we have in place a process that deals with community concerns and contains an appeal process appropriate to the prostitution and brothel industry.

It would not be appropriate to have local councillors making such decisions without an appropriate appeals process. It would not work. To keep the support of voters local councillors would at every opportunity oppose a brothel being established within their boundaries. That issue needs to be examined in a much broader sense. The current procedure is appropriate.
The moral tone of the legislation is stark when you realise that a provision of the bill prohibits a town with fewer than 25,000 people from siting a brothel within its borders. It is outrageous for the government to say that local communities cannot make their own decisions, that Big Brother is the only authority to make decisions on their behalf and that government should make decisions for them. It is extremely patronising and suggests that rural communities are like children. It is heavy-handed and moralistic.

The bill proposes that prostitutes undergo health checks every two weeks. It is a punitive, onerous and over-the-top measure that will not reduce the incidence of sexually transmitted diseases (STDs).

If you place unreasonable demands on the workers in this type of industry you will get, for instance, doctors who will automatically hand out certificates and you will encourage workers in the industry to go to such people. There will be a shift of emphasis from safe sex practices to people believing that if they go through the proper procedure they will be free of STDs. That gives people a false sense of security, although I am not saying that would happen to everybody.

The bill has been framed without consultation with representative bodies concerned with this issue. It is disturbing that organisations such as the Prostitutes Collective of Victoria, the Peter Knight Centre, and the Gay Men's Health Centre were apparently not consulted. If they had been consulted they would have told the government that punitive measures do not work: you cannot give clients a false sense of security that leads them to believe it is okay to practise unsafe sex. Those organisations are concerned about the changes to the legislation.

It is much better to try to deal with this issue by putting in place a caring and compassionate system which is effective in minimising STDs and AIDS and supportive of an educational system rather than imposing punitive measures.

Professor Neave has put on the public record four major principles relating to prostitution which Mrs Varty touched on earlier. The first is that the cause of prostitution is the economic and sexual inequality of women. That is a serious issue the bill does not treat seriously. It will not assist women to break free from economic and sexual inequality.

The second principle is that you need to repeal criminal laws penalising the act of prostitution and related activities. That is one of Professor Neave's fundamental principles which then allows a number of other things to happen. For instance, it creates a system where social workers and other people concerned, such as church groups, can openly assist prostitutes to deal with their problems rather than treating them like criminals, and where the police, for instance, can also try to assist street prostitutes through referrals rather than being forced to fine them and bring them to justice in the courts. Under this bill prostitutes are treated as criminals. The bill will not assist prostitutes to break out of the situation they are in.

The third principle is that prostitutes should be empowered to exercise greater control over their lives and bodies. The bill does not do that. The fourth principle is to control prostitution that is offensive to the community. To a large degree the bill deals with that principle by addressing the issues of child exploitation, overseas sex tours and real estate agents who organise overseas sex tours. I applaud the government on adopting that important principle.

They are the four principles, and we must remember that prostitution is a victimless crime. I shall wind up shortly, but I must pick up a serious issue Mrs Varty raised in her contribution to the debate. In an earlier debate today Mrs Varty supported women, but in this debate she made an essentially anti-women contribution because she supported a bill which, as Mr Pullen said, adds to the misery of women who are prostitutes.

I have not had personal experience of that misery, but the niece of a close friend of mine was a street prostitute. I say 'was' because about eight or nine months ago she was murdered. She is now a statistic, but she was a real person, the sort of person this bill does nothing to protect.

It is no good moralising when women are murdered, because in the case I quoted, the person had to support a drug habit and children. The government is making it easier for this to occur. Women will not be able to solicit in an open, lighted area, but will need to go to more dangerous areas where they are out of sight. The government is promoting that misery because of its moralising position.

I cannot support the bill even though some provisions are reasonable. Members of Parliament should have access to the government's secret review. Many women have to feed and clothe their
children and the government's attitude does not promote this country as a caring society.

House divided on motion:

Ayes, 27

Asher, Ms  Forwood, Mr
Ashman, Mr  Hall, Mr
Atkinson, Mr  Hallam, Mr
Baxter, Mr  Hartigan, Mr
Best, Mr  Knowles, Mr
Burell, Mr  Skeggs, Mr (Teller)
Bishop, Mr  Smith, Mr
Bowden, Mr (Teller)  Stoney, Mr
Connard, Mr  Storey, Mr
Cox, Mr  Strong, Mr
Craige, Mr  Varty, Mrs
Davis, Mr  Wells, Dr
de Fegely, Mr  Wilding, Mrs
Evans, Mr

Noes, 13

Davidson, Mr  Nardella, Mr
Gould, Mrs  Power, Mr (Teller)
Henshaw, Mr  Pullen, Mr
Hogg, Mr  Theophanous, Mr
Ives, Mr (Teller)  Watpole, Mr
McLean, Mrs  White, Mr
Mier, Mr

Pair

Brideson, Mr  Kokocinski, Ms

Motion agreed to.

Read second time.

Third reading

Hon. HADDON STOREY (Minister for Tertiary Education and Training) — By leave, I move:

That this bill be now read a third time.

In so doing, I thank all honourable members who spoke on the second-reading debate. A lot of what members of the opposition said indicates support for the bill, but they were concerned about some provisions and that it does not deal with other matters. However, I note that they agreed with substantial parts of the bill.

I point out that the matters about which they are concerned are not covered in the bill and were not dealt with by the former Labor government either when it introduced legislation in this house.
Read first time for Hon. R. M. HALLAM (Minister for Regional Development) on motion of Hon. R. I. Knowles.

LAND TAX (AMENDMENT) BILL

Second reading

For Hon. R. M. HALLAM (Minister for Regional Development), Hon. R. I. Knowles (Minister for Housing) — I move:

That this bill be now read a second time.

This bill amends the Land Tax Act to implement the measures announced in the budget, resolve ambiguities in the provisions relating to the unimproved value of land and avoid any unintended consequences which arise from those provisions. The bill also clarifies the operation of the charity exemption provision and extends the pensioner concession consistent with changes in commonwealth legislation.

Firstly, the bill implements the measures which the Treasurer announced in the budget, by which the increase or decrease in a taxpayer’s land tax liability for the 1995 year from his or her liability for the 1993 year on unchanged holdings is restricted to no more than 40 per cent. The purpose of the valuation provisions in the Land Tax Act is to define the value of land upon which land tax is calculated. The current provisions have a number of unintended consequences.

The first anomaly is that the provisions refer to valuations made for the purposes of the Local Government Act 1989 although changes to that act have transferred those provisions to the Valuation of Land Act 1960 as from 1 October 1992. That reference is therefore obsolete and serves only to add confusion to provisions which are already difficult to interpret and comprehend. The bill removes that anomaly.

Another ambiguity exists in identifying when a general valuation for a municipality may be used to determine the unimproved value of land upon which land tax is calculated. In practice, properties are valued for municipal purposes every four years in the metropolitan area and every six years in rural areas at a fixed date. That date is referred to as the base date. General valuations are usually returned in September, two years after the base date. The date of that return is referred to as the return date.

The State Revenue Office has consistently interpreted those provisions as preventing the use of a general valuation sooner than one year after the return date. An ambiguity in the present wording raises doubts as to whether the provisions in fact specify that as the time at which a valuation may be used to determine the unimproved value of land. Accordingly, the bill confirms the current practice of the State Revenue Office in not using a valuation until one year has elapsed after the return date.

A further anomaly arises in the case of a municipality making a supplementary valuation following a general valuation. The current provisions appear to compel the State Revenue Office to use that supplementary valuation, although it has not begun to use the general valuation on which it is based. The obsolete reference to the Local Government Act may also prevent the Commissioner of State Revenue from using valuations of the Valuer-General in some instances. Each of these anomalies is corrected by the revised valuation provisions in the bill.

The bill also clarifies the operation of the exemption from land tax for properties used for charitable purposes. The practice of the State Revenue Office has been to interpret the exemption as extending to tenants using the land for charitable purposes. However, some doubt has arisen as to whether that interpretation is correct. The bill adopts a simplified but effective form of exemption which resolves those doubts and confirms the existing practice of the State Revenue Office.

The bill also amends the provision which grants an exemption from land tax on the principal place of residence to pensioners. Under that provision ‘eligible pensioners’ were determined by reference to entitlement to a pensioner health benefits card and a transport concession card under commonwealth social security legislation. Recent changes in commonwealth legislation and practices have resulted in the creation of one pensioner concession card which is available to a wider range of persons. In keeping with agreements made with the commonwealth in relation to pensioner benefits this amendment will extend the concession to all holders of the current commonwealth pensioner concession card.

A further anomaly addressed by the bill is the provision of the act which deems a mortgagee who enters in possession of property upon a default of the mortgagor as the owner. That has unintended consequences. Firstly, the land in which the
municipal enters possession is aggregated with the
other lands owned by that mortgagee. In many cases
that may result in the mortgagee being obliged to
pay land tax at the top marginal rate upon the
secured property which otherwise would not have a
liability to land tax at all.

Secondly, many mortgages would entitle the
mortgagee in possession to pass on the expense of
that land tax to the mortgagor. This government
considers that it would be unjust if the aggregation
provisions were to operate to disadvantage these
mortgagors, many of whom would be households or
small businesses already in financial difficulty.

The bill seeks to resolve this unintended result by
providing that lands held by a mortgagee in
possession will be taxed as if they were still held by
the mortgagor for three years after the mortgagee
takes possession. This amendment is also consistent
with equivalent provisions in New South Wales.

I commend the bill to the house.

Debate adjourned for Hon. T. C. THEOPHANOUS
(Jika Jika) on motion of Hon. D. R. White.

Debate adjourned until next day.

STATE TAXATION (AMENDMENT)
BIL I

Second reading

For Hon. R. M. HALLAM (Minister for Regional
Development), Hon. R. I. Knowles (Minister for
Housing) — I move:

That this bill be now read a second time.

The purpose of this bill is to make numerous
technical amendments to various state revenue acts.

Debits tax, which was formerly collected by the
commonwealth, was fully handed over to the states
as from 1 January 1994. In Victoria, the Debits Tax
Act 1990 has operated by incorporating the
provisions in the commonwealth act by reference.
This bill completes the arrangements for the
takeover of the administration of debits tax by
Victoria by inserting into the Victorian act
provisions corresponding to the provisions that
previously appeared in the commonwealth legislation. There will be no change in the manner in
which the tax is assessed or collected as the Debits

Tax Act will remain consistent with the
commonwealth provisions.

Technical modifications are made to the previous
commonwealth provisions regarding refunds,
objections and appeals. The modified provisions will
be consistent with other Victorian revenue acts,
particularly the Financial Institutions Duty Act. This
is in accordance with the government's commitment
to achieve as much consistency as possible between
the administration of the Debits Tax Act and the

The bill makes various amendments to the Financial
Institutions Duty Act. The present inconsistencies in
the treatment of bills of exchange as opposed to
promissory notes are removed, as is the anomalous
treatment of dishonoured cheques. Further
amendments will ensure the equitable application of
financial institutions duty by exempting duty on the
rollover of term deposits and amounts credited in
error. The bill also includes amendments to clarify
the operation of the short-term dealing provisions.
As well, the bill provides that for the purposes of
section 25 of the act non-bank financial institutions
may be specified by order in council rather than by
regulation, enabling more efficient administration
and better responsiveness to taxpayers.

The bill also amends the Financial Institutions Duty
Act to deal with an anomaly that has recently come
to light regarding the imposition of financial
institutions duty on interest credited to accounts
held with financial institutions. Documentation
published at the time of the introduction of financial
institutions duty by the previous government in
1982 indicates that interest credited to accounts was
to be liable to financial institutions duty, as is the
situation in all other states which impose financial
institutions duty. To date the legislation has almost
universally been regarded as imposing such liability.
However, the Solicitor-General has recently
indicated that in his opinion this Victorian
legislation does not operate in this manner.

The amendments therefore make clear that financial
institutions duty is payable on credits of interest to
accounts and that financial institutions duty which
has in the past been paid by financial institutions in
respect of interest credits is to be treated as having
been paid in accordance with the legislation.

The bill also makes a technical amendment to define
amounts improperly paid to exempt accounts as
receipts. This will ensure that such payments attract
duty.
STATE TAXATION (AMENDMENT) BILL

Wednesday, 7 December 1994

COUNCIL

The bill amends the Pay-roll Tax Act to remove the requirement for employers to lodge returns of wages each month. In the majority of cases employers will need only to provide an annual return. This is yet another practical example of the way the government is cutting the burden of red tape on business in Victoria.

To make it easier for employers to hire apprentices and trainees the bill will remove the cumbersome procedure whereby employers were obliged to apply to the State Training Board for a rebate of the payroll tax on wages paid to apprentices and trainees.

The bill also limits the liability to payroll tax for wages paid to an employee outside Australia to a six-month period.

The bill includes a number of amendments to ensure the consistent application of provisions in the Stamps Act 1958. The period for refunds of duty upon leases and the power to remit penalties upon the late lodgment of documents will be consistent with refund and penalty provisions elsewhere in the act. The provisions which provide the relevant nexus to the state of Victoria to impose duty upon the transfer of marketable securities transferred other than by means of the Australian stock exchange’s clearing house system, CHESS, will be made consistent with the nexus requirements which apply to transfers made under CHESS.

The bill also seeks to encourage the merger of superannuation funds in the same manner as New South Wales by exempting duty on transfers of real property and marketable securities between superannuation funds.

The duty upon a transfer of shares which is part of a share buyback will be exempted under the bill. As a result, the inconsistent application of the Stamps Act as between a share buyback and the redemption of units in a unit trust is removed. This amendment will also ensure that companies in Victoria are not at a disadvantage compared with those in New South Wales, which has already enacted a similar exemption.

The bill also introduces amendments to remove an administrative burden on companies by allowing them to register transfers of shares which are exempt from duty without the necessity to have those transfers stamped as non-dutiable.

The provisions which relate to subpurchases of real property and the use of nominee clauses upon the purchase of real estate will be clarified. The amendment will prevent the use of nominee clauses as a device to avoid stamp duty. However, the genuine use of a nominee clause to enable the purchase of real property on behalf of a family member, a family company or a company related to the purchaser will not be affected.

The bill addresses a potential loophole in the rental business duty provisions and enhances the practical operation of the act by removing the requirement of the minister to deal with a number of operational matters and instead vesting these duties in the Commissioner of State Revenue.

The Stamps Act will also be amended to implement measures which were announced in the budget. The turnover tax upon wagers with bookmakers will be reduced from 2.25 per cent to 2 per cent for metropolitan race meetings and from 1.75 per cent to 1.5 per cent for country meetings. This reduction will take effect for all bets made as from 3 October 1994, in time for the spring racing carnival.

The other budget measure clarifies the application of the Stamps Act to off-the-plan sales involving existing buildings. Some doubt has existed as to the practice of the State Revenue Office in allowing the concession in the case of the refurbishment of and conversion to strata title units of existing buildings. The amendment will clarify the application of the concession to transfers of real property in those cases. The terms of the amendment have been structured to prevent the concession being exploited as a device for the avoidance of duty where substantial works have not been undertaken.

The bill also amends the Stamps (Further Amendment) Act 1993 to ensure that duty will not charged upon that part of a security by which property is secured which is outside Australia. This amendment is consistent with legislation expected to be introduced in New South Wales shortly.

The bill amends the Taxation (Interest on Overpayments) Act to remove an anomaly which has operated in an unjust manner for a number of years. The act gives taxpayers who have demonstrated that they have paid excessive tax a right to interest upon the tax which is refunded. However, this right has not applied to the case of an objection to the valuation of land which has given rise to an excessive land tax assessment. The bill removes this anomalous distinction.
A housekeeping amendment is made to the Taxation (Reciprocal Powers) Act 1987 to repeal obsolete provisions.

I wish to make a statement under section 85(5) of the Constitution Act 1975 of the reason for altering or varying that section in this bill. The proposed new section 60 of the Debits Tax Act, to be inserted by clause 5 of the bill, will provide that it is the intention of that provision to alter or vary section 85 of the Constitution Act. This provision precludes the Supreme Court from entertaining proceedings of a kind to which the proposed new section 29(1) of the Debits Tax Act applies. The reason for limiting the jurisdiction of the Supreme Court is that refunds of overpaid debits tax, other than refunds claimed on the grounds of invalidity of provisions in the Act, are only to be made where the person seeking the refund has lodged an application for the refund with the Commissioner of State Revenue within three years of the date of the overpayment. The purpose of the proposed new section 29 would not be achieved if the Supreme Court could entertain an action seeking such a refund notwithstanding that no application for a refund had been lodged with the commissioner within three years from the overpayment. This limitation of the jurisdiction of the Supreme Court is consistent with the limitation which already applies under the refunds regime proposed by the previous government and enacted in the State Taxation (Amendment) Act 1993.

I commend the bill to the house.

The bill provides for the appointment of Club Keno inspectors and includes the Director of Gaming and Betting as a Club Keno inspector. The opposition makes it clear that with the spread of keno facilities in gaming venues, both in hotels and clubs throughout the state, it is appropriate that that inspection service should exist, but one should also be monitoring the effectiveness commercially of the keno operations, which at this point in time are enjoying only mixed success.

The bill gives the Treasurer power to guarantee the liabilities of the TAB. This relates to some assets that were not absorbed in Tabcorp's remaining assets. According to the minister in another place, there is outstanding litigation in some aspects of the operations of the TAB. The opposition does not oppose the Treasurer having some powers of guarantee with some outstanding issues relating to the operations of the former TAB.

The bill provides the power to assign the liabilities and assets of certain racing funds to the Victoria Racing Club. The opposition does not oppose that measure, which is a straightforward amendment.

The bill provides the gaming authority power not only over electronic gaming machines, but also over gaming equipment, which is appropriate in an industry where there will be increasing centralisation of electronic facilities and the extension of jackpots as part of the centralised system. It is appropriate that the authority should have security and power over not only the machines but also the equipment.

The bill introduces a mandatory nominee system for venue operators licences and also allows the authority to recover its cost of investigating the application for approval of a nominee. The opposition does not oppose those measures.

The bill provides an avenue of appeal to the Supreme Court against the decision to approve or refuse to approve a person as a nominee. The opposition does not oppose that measure. The bill amends section 7 of the Racing Act to clarify that race meetings may be transferred to another licensed racecourse. The opposition does not oppose that measure.

During the second-reading speech and in the debate in another place, ministers have indicated on a
GAMING AND BETTING (AMENDMENT) BILL

Wednesday, 7 December 1994

number of occasions the need, in bringing together the Victorian Gaming Commission and the Victorian Casino Control Authority, for propriety and security in the operations of the new Victorian Gaming and Casino Authority.

I indicate that the provision of electronic gaming machines has been carried out by the authority in a way that meets the community's expectations. I would add that it has been enhanced by the presence of both Tattersalls and the TAB as operators in the commercial marketplace. Given the protection the community has been given with both Tattersalls and the TAB, the authority cannot afford to be linked to any unsavoury elements in any venue, whether it be a hotel or a club, because that would have a devastating impact on its image. The authority provides protection for the community and it has stood the community in good stead in the provision and extension of gaming machines and gaming venues in clubs and pubs.

The same cannot be said for the selection process for both the temporary and permanent casinos, which I foreshadow will be the subject of a more substantial debate at another time. Nevertheless, in debating this bill I foreshadow that there are a huge number of shortcomings in the conduct of the government in the provision of the casino licence, and its conduct in no way matches the performance of the authority in the provision of licences and gaming machines in hotels and clubs throughout the state in conjunction with Tattersalls and the TAB.

In conclusion, I put it to you, Mr Acting President, that if the operators of gaming machines had had an equity or operating presence in the casino in respect of their machines the quality of the successful bidder would have been significantly enhanced and would have had much wider community support. It is clear, as everyone understood, that Tattersalls certainly was interested in having an operating role in gaming machines for the successful bidder, and it was certainly the case that the TAB was interested in having an equity and participating role in the casino.

The fact is that ultimately in the wisdom of the government, the then Casino Control Authority and the successful consortium, Tattersalls and the TAB were not present. That has now meant that Tattersalls and the TAB are in fierce competition with the temporary and permanent casino and there is no doubt in my mind where the commercial strength rests in such competitive circumstances. There is no doubt where the strengths are in terms of who will prevail and enjoy the most success in the marketplace, despite all the hype surrounding the so-called commercial strengths of the winning bidder for the casino.

I foreshadow that while I do not oppose this measure, the opposition in no sense supports the views expressed by the minister in no sense the minister in another place that the propriety, probity and the adequacy of the role of the authority has in any sense been adequate in the selection and provision of the licence for the temporary and permanent casinos.

Hon. B. A. E. SKEEGGS (Templestowe) — There is no doubt that the orderly development of the casino and gaming industry in Victoria has been of a high standard similar to the Victorian government's performance. Its policy to ensure that there is the greatest probity and security in all gaming operations in the state has been a prime factor in its success and the rising acceptance of the Victorian public towards the operations in both gaming and the casino.

The Gaming and Betting (Amendment) Bill is designed to clear up a few anomalies and to make sure that adequate powers are in the hands of the director, inspectors and those involved with the authority in ensuring that high standards are maintained.

It is true to say that we have a situation in Victoria where great care was taken not only by this government but by the previous government, to ensure that very high standards were put in place and to ensure that only people who have been thorough a very careful security check participate in the whole field of operations of gaming and the casino in this state. So far the gaming machine industry has seen extraordinary growth and is to be commended.

This bill amends a number of other acts to make sure that these issues are brought clearly into perspective. The bill deals with amendments to the act regarding gaming machines and ensures that wholly owned subsidiaries of Tabcorp Holdings Ltd will be able to possess gaming machines and will have sufficient flexibility to possess or dispose of those machines within its operations.

Another important aspect relates to the authority's costs and expenses. This bill ensures proper delegation of authority to the Victorian Casino and Gaming Authority to ensure that the totalizator equipment can be approved effectively and that a
statement on the costs borne by the authority and all of its expenses is properly accountable to the Treasurer.

The bill also handles the situation relating to the Totalizator Agency Board transferring some of its holdings to Tabcorp. There is also a Treasury guarantee regarding the liabilities of the TAB. There were, of course, quite a few commercial aspects in the hands of the previous TAB that had not been actually transferred to Tabcorp. This legislation makes it possible for that to occur and makes provision for the Treasurer to guarantee, indemnify or otherwise support the performance, satisfaction or discharge of obligations or liabilities of the TAB so that they are taken over properly by Tabcorp.

The legislation also recognises the Victoria Racing Club, previously identified in the principal act as Vicracing. The legislation makes it quite clear that the VRC is the proper organisation to absorb the previous responsibilities of the Racecourses Development Fund. That is quite important because a lot of money is involved and racing clubs need to have assurance through the principal club — the Victoria Racing Club.

One of the things which is of some concern has been the need to ensure that the maximum number of gaming machines available to a venue operation — which stands at 105 — set by the minister and by the Casino (Management Agreement) Act is maintained. It will be very important to ensure that that is not breached by various means by some operators trying to get extra machines they are not entitled to have. This provision permits the authority to check through its inspectors the number of machines of a venue operation and to check devious means used to extend the number of machines an operator can have.

The government’s concern also covers hotels or club operators who might be operating from more than one venue. The concern lies in the maintenance of the 105-machine maximum at any one location. That is the prime concern of the government in this legislation. Venues operated by the same operator are not permitted within 100 meters of an approved venue. It is important to ensure that any two venues must be generally independent and not situated within 100 meters of each other.

Accountability of venue operators is also of prime concern in this legislation. A very careful attempt has been made to ensure that there is proper accountability of any person or the nominee of any one person. The bill will ensure that inspectors of the authority are clothed with sufficient powers to ensure that that accountability occurs.

The bill also allows for appeals to be made to the Supreme Court against a decision of the authority to approve or refuse to approve a person as a nominee. It is good to know that in this legislation the government has clearly recognised the need for proper appeal provisions. By and large the gaming industry has approved most of the provisions of this bill. I think it will see that the government is trying to tidy up the situation to ensure that there is adequate power for the authority and its officers to ensure that there is adequate security and accountability at all levels of the industry.

We should study the situation regarding scrutiny, which is most important to this legislation. The government is concerned that anybody who attempts to influence improperly the conduct of gaming in any way can be dealt with under this legislation. It also enables a clearance to be given to a person accepting a beneficial, ownership or management role and for that person not to exercise any influence in the business except with the prior approval of the authority. It must be clearly seen that the authority must give the proper licence for a particular venue to proceed.

Important sentencing provisions are contained in this bill and those disciplines are designed to ensure that adequate probity and security is imposed within the industry. The legislation contains an additional ground for disciplinary action where the licensee has been found guilty of an offence against the act under which that person is licensed or of a certain category of offence involving fraud or dishonesty, regardless of whether a conviction has been recorded against that person. The bill has proposed special measures to deal with that situation.

The bill looks at the way club keno is operating as between Tabcorp and Tattersalls. Club keno has taken off very effectively in this state and is becoming increasingly popular. Again it is necessary to ensure that, where offences occur in the operation of club keno, there is adequate power to deal with them. This bill has created a number of specific offences, including interference with the club keno system. Defective equipment can be inspected and prosecution can be launched against the operator.
The extension of credit and the sale of tickets to minors are frowned upon and have been specifically mentioned in the legislation as an offence.

Gaming inspectors have been given increased powers of enforcement, and that is to be welcomed. They may now investigate suspected offences against the Club Keno Act by gathering evidence. The authority to gather evidence means that they can enter premises to see whether there is defective equipment on those premises. They will also be able to have the equipment tested. It is important to ensure that the director is given the power to order either Tabcorp or Tattersalls to repair or withdraw any defective machinery in the venues.

The situation governing racing has been well clarified in the bill. Racing dates may have to be transferred because of alterations to a racecourse or where bad weather may necessitate the transfer of a race meeting, harness meeting or greyhound meeting to another venue. This can now occur. The bill makes it clear that the controlling body of the particular racing code will have sufficient power and flexibility to transfer a race meeting to another venue.

Stamp duty for the Greyhound Racing Control Board is now clarified by the legislation. Previously it was returned to the Victorian Country Racing Council but now stamp duty that applies to greyhound meetings will go back into the industry through the Greyhound Racing Control Board.

There are other statute law revision provisions in the legislation but, by and large, the important thrust of the legislation is to codify more accurately the powers of the Victorian Casino and Gaming Authority and to make sure that under the Racing Act those powers are properly transferred to the authority of the controlling bodies of the respective racing codes so that they have the flexibility needed to carry out their duties. I commend the bill to the house.

Motion agreed to.

Read second time.

Third reading

Hon. HADDON STOREY (Minister for Tertiary Education and Training) — By leave, I move:

That this bill be now read a third time.

In doing so I thank Mr White and Mr Skeggs for their contributions. It has been brought to my attention that the honourable member for Dandenong North in another place raised an issue concerning clause 15 and that the minister handling this matter in the other place said the question would be responded to. I am in a position to give a response.

Clause 15 of the bill is intended to safeguard the limit of 105 machines per venue. It does so by stating that if the premises are within 100 metres of an approved venue the authority must be satisfied that the proposed venues are genuinely independent of each other.

Some questions were raised about that. The position is that these words clearly affect the purpose of the clause, which is to safeguard the limit of 105 machines per venue. If an application is made to establish a venue which is, essentially, an extension of or an annexe to the area of an existing venue and which is to operate as part of the existing venue business, to grant a second licence to the new venue and allow it to operate another 105 machines would clearly be contrary to the 105-machine limit.

However, it is not intended that the amendment be used by the authority to refuse a genuine application to license an existing premises or to establish a new venue which, although located close to an existing gaming venue, would cater to a different client group and be run separately from the existing venue. An example would be where two hotels with common ownership were located on opposite sides of the street and were run as separate businesses.

The amendment made by clause 15 will allow the authority to look at the management and operation of the two venues to establish whether they are genuinely independent of each other.

Motion agreed to.

Read third time.

Passed remaining stages.

ADJOURNMENT

Hon. R. I. KNOWLES (Minister for Housing) — I move:

That the house do now adjourn.
Bushfire responses

Hon. R. S. IVES (Eumemmerring) — I raise an issue with the Minister for Conservation and Environment. I note that the report of the Victorian Bushfire Review Committee following the Ash Wednesday fires of February 1983 details the fire threat indicated for the 1982-83 season. For instance, it shows that the first bushfire broke out in August, before winter was over. Other fire threat indicators include drought conditions; fuel conditions; temperatures; humidity; and wind conditions. Many show a similarity to the present season.

The government of the day, alarmed at the fire threat indicators, undertook a number of special measures which subsequently stood it in good stead when the catastrophe occurred. Fire restrictions were introduced by the former Forests Commission and the Country Fire Authority six to eight weeks earlier than usual because of the weather conditions and the drought. Arrangements were made between various ministries whereby personnel from government agencies such as the former Lands Department would be available as required. In early December 1982 the government approved the employment by the Forests Commission of an additional 600 men to be trained as firefighters.

The government arranged for the Modular Airborne Fire Fighting System to be brought out from America and for an RAAF Hercules to be available to carry the MAFFS. The Forests Commission arranged for agricultural aircraft to be on stand-by to drop fire retardants as required. It also made arrangements for other agricultural aircraft to be available for hire and placed two helicopters and a fixed-wing aircraft under contract for fire surveillance and reconnaissance and personnel movement. Prior to the fire season arrangements were made with owners of equipment such as bulldozers for that equipment to be available should the situation require it.

I am happy to say that the measures taken in accordance with the fire threat indicators proved successful. I ask the minister to indicate what, if any, special measures the government has undertaken this year. From its monitoring of fire danger indicators this season, does the government believe the situation is well under control?

Queenscliff Maritime Centre and Museum

Hon. D. E. HENSHAW (Geelong) — The matter I raise with the Minister for the Arts concerns the

Queenscliff Maritime Centre and Museum. Last Saturday I attended the annual general meeting and was very impressed with the organisation. In less than a decade it has established itself as a centre of excellence for education and activities in maritime culture. It is very much a product of a dynamic community in Queenscliff and is, in a very real and perceived sense, owned by the people of Queenscliff and is an important part of the community.

It is very much a centre for tourism with an average of some 450 visitors a week passing through its doors. Although originally centred around the old Queenscliff lifeboat, the centre's activities have become quite diverse, covering areas such as model boat classes, wooden boat construction classes, lectures, research, school visits and that sort of general activity, as well as displays.

The Queenscliff Maritime Centre and Museum is now in great need of expanded premises. Museum staff are very short of space. There is a need for library space. There is an extreme shortage of storage space and there is a pressing need for more display space. In view of that the museum committee is determined to achieve a $100,000 extension to the building and to raise the major portion of that amount through its own fundraising activities.

I commend to the minister the advantage of a facilitated grant. Over the years the centre has received valuable assistance in the form of grants for the museum, but it has never in its existence been awarded a major works grant. I commend the possibility to the careful attention of the minister at the first opportunity he has.

Melton Central Preschool

Hon. M. M. GOULD (Doutta Galla) — The matter I direct to the attention of the Minister for Housing, who is the representative in this place of the Minister for Community Services, relates to a newspaper article that appeared in a local newspaper, the Telegraph, on 30 November 1994 with the heading, 'Kinder kids kicked out'. It reports that the Melton Central Preschool has excluded at least two children from attending the kindergarten on the basis that their parents cannot afford to pay the fees of more than $400 a year.

The kindergarten says it needs the fees to pay for the paint the children use and the cleaning of the premises. A spokesman quoted in the article says the kindergarten is concerned that the government's
ADJOURNMENT

Wednesday, 7 December 1994

cuts in funding to kindergartens have meant that parents must make up the shortfall in fees and it had to make the decision to exclude the children from attending the preschool.

There has been enormous strain on the Melton council because a number of parents have approached it seeking financial assistance. The council has cited the fact that kindergarten fees have increased to the point where parents have to go to the council seeking assistance to pay those fees.

I ask the minister to raise with the Minister for Community Services the fact that children have been excluded from attending kindergarten because of the outrageous increases in fees that have been imposed on committees — not to mention the increased workload they have to bear and the stress they suffer. The preschool has concluded that the only way to meet the shortfall in costs is through huge increases in fees. Some parents just cannot afford them, so they have been told they can no longer send their children to kindergarten, which means those children are suffering.

I ask the minister for Housing to raise with the minister in the other place the concerns of the parents in Melton, and especially the committee running the kindergarten which is having difficulty making ends meet because of the reduced subsidies it receives from the government.

Local government: boundaries

Hon. PAT POWER (Jika Jika) — I seek the assistance of the Minister for Local Government in respect of a matter drawn to my attention by Mr Brennan, Chief Executive Officer of the City of Heidelberg. I suspect the minister may well be aware of the issue I am referring to.

The Heidelberg City Council has asked me to raise with the minister its concern about the proposed structure in its region. The minister may already be aware that the council accepts in general terms the proposed boundaries for the City of Banyule, but it is concerned about what it describes as the Mont Park public health precinct.

The council believes there are some anomalies in respect of those proposed boundaries and that Mont Park is in fact an integral part of Macleod. The council has available some documented information that the minister may well have had access to and has requested that urgent consideration be given to the matter before a final decision is made on boundaries. I therefore ask the minister whether it is possible for him to give some response tonight or to give an undertaking that the views of the City of Heidelberg will be taken into consideration.

Community service orders

Hon. T. C. THEOPHANOUS (Jika Jika) — I raise a matter for the attention of the Minister for Tertiary Education and Training which I seek him to refer to the Attorney-General. Section 63(2) of the Sentencing Act states:

The number of hours for which a person in default of payment of a fine or an instalment under an instalment order may be required to perform unpaid community work is 1 hour for each $20 or part of $20 then remaining unpaid with a minimum of 8 hours and a maximum of 500 hours.

I refer the minister to the case of Mr Frank Cappelleri, for whom I have three addresses listed: 52 Droop Street, Footscray; 46 Kellaway Street, Maidstone; and 94 Gordon Street, Footscray.

An Honourable Member — He is the candidate for where?

Hon. T. C. THEOPHANOUS — It is actually not a laughing matter. I have a number of community-based orders before me in relation to this individual. They relate to the use of an unregistered motor vehicle, engaging in plumbing work without a certificate of registration, carrying out work contrary to regulations, carrying out plumbing work which is defective, behaving in an offensive manner, using indecent language, constructing dwellings without making application and contravening various provisions of the Planning Act.

Hon. B. N. Atkinson — Do you think there is a point to this?

Hon. T. C. THEOPHANOUS — This is a point.

Hon. M. A. Birrell — What is the point?

Hon. T. C. THEOPHANOUS — Why don’t you shut up and listen!

The PRESIDENT — Order!

Hon. T. C. THEOPHANOUS — We are not going to come in here and listen to this sort of crap from you lot! And if you don’t want to be here, you can
leave the house and I am happy to sit here and tell the minister, who might have an interest in the issue.

The PRESIDENT — Order! I suggest the Leader of the Opposition gets to the point of his request now that he has given the house an overview so that the matter can be succinctly put to the minister.

Hon. T. C. THEOPHANOUS — An order was made by the Spotswood Community Correction Centre for the total amount, and I am speaking of people being ripped off for faulty plumbing work. The order was made for $150 000 for the affected individuals. However, because the maximum community order that can be made against an individual is 500 hours, the person was given the maximum community service order. Based on the formula in the bill, 500 hours equates to about $10 000 at $20 an hour. That is extremely unfair for the people who were ripped off. The individual received a penalty of only 500 hours because it was the maximum penalty, yet he was fined by the court $150 000.

I ask the minister to raise this matter with the Attorney-General to see whether it is appropriate that in cases where large amounts of money are involved, an offender can be given a maximum of only 500 hours community work. In fact, 500 hours community work equals 10 hours work per week for one year. If someone were to earn $150 000 for 10 hours work per week he would have to earn more than Ross Wilson!

I ask the minister to take up this matter with the Attorney-General to see whether it is necessary to change the law so that people are not allowed to get away with these kind of practices and snub their noses at the community.

The PRESIDENT — Order! I point out to honourable members that under the guidelines laid down for matters raised during the adjournment debate, a member may not request the introduction of legislation. Other forms for doing so are available.

I remind honourable members of that point. The minister may answer the question on this occasion, but I ask honourable members to recall in future that these requests should not be made.

Hon. T. C. Theophanus — It could be fixed in other ways.

The PRESIDENT — Order! That is why I did not rule it out of order.
Motion agreed to.

House adjourned 11.56 p.m.