



**Legislative Assembly  
Privileges Committee**

**Special Report**

**October 1991**

*MELBOURNE*  
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VICTORIA

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**Legislative Assembly  
Privileges Committee**

**Special Report**

TOGETHER WITH APPENDICES

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*Ordered by the Legislative Assembly to be printed 24 October 1991*

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EXTRACTED FROM THE VOTES AND PROCEEDINGS OF THE  
LEGISLATIVE ASSEMBLY

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THURSDAY, 3 NOVEMBER 1988

- 8 PRIVILEGES COMMITTEE - Motion made, by leave, and question - That a Select Committee be appointed to inquire into and report upon complaints of breach of privilege referred to it by the House; such Committee to consist of Mr Evans, Mr Lieberman, Mr McDonald, Mr Mathews, Mr Perton, Mr Sheehan (*Northcote*) and Dr Vaughan; and that the Committee have power to send for persons, papers and records; to sit on days on which the House does not meet and to move from place to place; four to be the quorum (*Mr Fordham*) - put and agreed to.

WEDNESDAY, 23 NOVEMBER 1988

- 4 PRIVILEGES COMMITTEE - MEMBERSHIP - Motion made, by leave, and question - That Mr Perton be discharged from attendance on the Privileges Committee and Mr Maclellan be appointed in his stead (*Mr Fordham*) - put and agreed to.

TUESDAY, 1 OCTOBER 1991

- 3 COMPLAINT - Mr Speaker informed the House that the Leader of the National Party had lodged with him written notification of a complaint against the Minister for Transport alleging that he had committed a contempt of the House by deliberately misleading the House - and, Mr Speaker being of the opinion that the complaint should be given precedence -

Motion made and question - That the complaint made by the Leader of the National Party on 19 September 1991 be referred to the Privileges Committee for examination and report (*Mr McNamara*) - put, after debate, and agreed to.

- 8 PRIVILEGES COMMITTEE - MEMBERSHIP - Motion made, by leave, and question - That Mr Evans and Mr Lieberman be discharged from attendance on the Privileges Committee and that Mr McGrath (*Warrnambool*) and Mr Cooper be appointed in their stead (*Mr Roper*) - put and agreed to.

**THURSDAY, 3 OCTOBER 1991**

- 6 **PRIVILEGES COMMITTEE - SITTING AND EVIDENCE** - Motion made, by leave, and question - That this House grant leave to the Privileges Committee to meet and take evidence during the sittings of the House in relation to the matter referred to the Committee on 1 October 1991 for examination and report and that Standing Order No. 208 be suspended so far as to allow the Committee to publish the evidence and documents received in its Inquiry upon such terms and conditions as it thinks fit.  
*(Mr Roper)* - put and agreed to.
-

## BACKGROUND

The Committee is currently inquiring into the complaint made by the Leader of the National Party on 19 September, 1991 and referred to the Committee by resolution of the House on 1 October, 1991.

During this inquiry, there has appeared in the Herald-Sun of 24 October, 1991 on pages 1 and 2 under the by-line of Geoff Easdown an article headlined "Stoney Tells on Contract". These pages of the Herald-Sun are reproduced in Appendix A.

The article provided information on the contents of a Statutory Declaration made by Ian Stoney, Chief Executive Officer of the Public Transport Corporation.

The article states:

"The declaration has been given to the Parliamentary Privileges Committee."

The article goes on to provide information on the contents of the Statutory Declaration not previously on the public record.

The Statutory Declaration had been previously referred to and summarized in a memorandum dated 22 October, 1991 to the Premier from Mr Peter Kirby, Secretary of the Department of Premier and Cabinet. This memorandum was subsequently released publicly by the Premier. The relevant section of the memorandum states:

3. "In a Statutory Declaration of 10 October, 1991 and written advice to the Minister for Transport on 16 October, 1991, the Chief Executive of the PTC explains that Mr. Gordon's contract was negotiated and agreed upon about the 11 July, 1990. The contract applied from 3 April, 1990 for 5 years. The contract was not signed. One copy was retained by Mr. Gordon and the other by the Chief Executive for the PTC."

The Privileges Committee received in evidence from Mr Spyker the original Statutory Declaration with the accompanying letter from Mr Stoney to Mr Spyker dated 16 October, 1991 in response to questions asked of Mr Spyker by the Committee.

## STANDING ORDER 208

Standing Order 208 states:

"The evidence taken by any Select Committee and documents presented to such Committee, and which have not been reported to the House, shall not be published by any Member of such Committee, nor by any other person."

The House resolved on 3 October, 1991:

"That this House grant leave to the Privileges Committee to meet and take evidence during the sittings of the House in relation to the matter referred to the Committee on 1 October 1991 for examination and report and that Standing Order No. 208 be suspended so far as to allow the Committee to publish the evidence and documents received in its Inquiry upon such terms and conditions as it thinks fit."



At the time the newspaper was published the Committee had not authorised publication of the before-mentioned memorandum or letter or any other exhibit in this inquiry by any person and had not released copies to any person.

## **PARLIAMENTARY PRACTICE**

The Committee, in considering this development has been guided by the procedure of the House of Commons as described on page 124 of Parliamentary Practice Erskine May 21st Edition.

"The procedure for dealing with improper disclosure of select committee evidence or proceedings was altered with effect from the beginning of session 1985-86, following a report from the Committee of Privileges. The committee concerned seeks to discover the source of the leak and to assess whether it constitutes (or is likely to constitute) a substantial interference with its work, with the select committee system, or with the functions of the House. If the committee considers that there has been or is likely to be such interference, it reports to the House accordingly, and a report of this character stands automatically referred to the Committee of Privileges."

## **ACTION BY THE COMMITTEE**

The Committee has carried out its own investigation to try to discover the source of the leak, in particular by formally asking all members of the Committee and the Committee's staff if they could explain how the leak came about. These inquiries have not discovered the source of the leak.

The Committee has considered the question of whether or not the leak constitutes a substantial interference, or the likelihood of such substantial interference, with the work of the Committee in its present inquiry. It is of the view that it is not.

However the Committee has considered the question of whether or not the leak constitutes substantial interference, or the likelihood of such substantial interference, with the select Committee system or the functions of the House. It is of the view it may.

The Committee has resolved to make a special report to the House to report the action it has taken and the conclusions reached.

Committee Room  
24 October, 1991.

# Herald-Sun



Thursday, October 24, 1991

NEWS - PICTORIAL

City: Fine. Max: 21. (Page 60)

60c

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PAGE 28

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ENTERTAINMENT P 51

# STONEY TELLS ON CONTRACT

## Asbestos alert on fireball

By **ALAN RADOS** and **GREG THOM**

THE Environment Protection Authority was last night supervising an asbestos clean-up operation in Preston after a multi-million dollar fire ripped through a plant at the CIG complex yesterday.

The blaze threw up white asbestos over a wide area, the chairman of the Environment Protection Authority, Dr Brian Robinson, told the *Herald-Sun* last night.

He warned anyone who found pieces of the material not to touch them.

But tests did not show there was cause for public concern, Dr Robinson said.

The affected area is near the East Preston Technical School and surrounding residential streets.

The nearby Northland Shopping Centre was found to be free of any asbestos by EPA inspectors and health and safety department officers, Dr Robinson said.

The school was ordered closed yesterday afternoon after the asbestos was discovered and will remain shut until the clean-up operation is complete.

Teachers were told to hose down their cars when they got home and students to wash their clothes immediately.

A recorded message at the school last night said that because of the fire at the complex the school has closed and would remain closed today.

Continued Page 2



Preston panic... blasts and fireballs forced 1000 people to be evacuated. Picture: VIN ROST

**BELEAGUERED** transport boss Ian Stoney — under fire over the \$95,000 payout to a ministerial adviser — claims the man, Jeff Gordon, drafted his own controversial job contract.

Mr Stoney has made a statutory declaration about the dealings he had with Mr Gordon.

The declaration has been given to the Parliamentary Privileges Committee.

It says the initial draft was prepared by Mr Gordon, based primarily on standard conditions that operated in state government contracts.

The five-year contract, according to Mr Stoney, was agreed to on or about July 11, 1990, and backdated to the previous April.

Mr Gordon's employment was severed on July 31, this year.

The Public Transport Corporation wrote to Mr Gordon the following day advising that his appointment was terminated.

The Parliamentary Privileges Committee is probing whether the Transport Minister, Mr Spyster, knowingly and deliberately misled Parliament in statements he made about Mr Gordon's cancelled contract.

In his declaration, sworn on October 10, Mr Stoney says that he only ever saw one copy of the contract, that it was not signed, and claims he did not shred his copy of the document.

A subsequent investigation ordered by the Premier, Mrs Kirner,

By **GEOFF EASDOWN**

found that Mr Stoney and the adviser, Mr Gordon, signed a photocopy of the contract on August 1, and that several days later Mr Stoney issued an order for the signed document to be destroyed.

In his declaration, Mr Stoney swore:

• That while he (Mr Stoney) was absent from work for a double spinal fusion on May 24 this year, Mr Spyster advised the department that Mr Gordon's services were no longer required.

• That a redeployment offer was rejected by Mr Gordon.

• That advice from the Transport Commission's solicitors was that the contract with Mr Gordon was valid.

Continued Page 2



Mr Pullen

## Crisis on excess teachers

Page 3

FULL DRAFT LISTS P81 • CATTLE TRADE BLAST Back Page



## SPORTS WORLD

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## Chooks come home to roost

### VINE OPINION

GRADUALLY the chickens are coming home to roost.

Looked away in this newspaper yesterday was a report from colleague Michael Epis regarding the annual report of the Accident Compensation Commission tabled in Parliament on Tuesday.

And who came up smelling like roses? None other than dismissed WorkCare chief Michael Roux.

You'll recall the case, of course. Michael Roux took over the running of WorkCare when it was in the pits to the tune of around \$4 billion.

In two years or so, he turned that round by half through a lot of hard work and changes in direction.

And then Labor and Industry Minister Neil Pope stepped in and sacked him, claiming that legal costs were rocketing and that Mr Roux was not doing anything about it.

The minister and his minders then produced some of the most amazing figures to substantiate the dismissal of the WorkCare boss.

No one had ever seen such figures before, nor has anyone seen them since.

But in the State's talk shop on Tuesday, the report came out, and there is no denying from that report just what a great job Michael Roux had done, so good, in fact, that his temporary replacement, Mr Andrew Lindberg, said: "Members of the board have made a notable contribution none more so than the commission's previous managing director, Mr Michael Roux."

"Mr Roux ... was instrumental in significantly improving administration and in advising on the need for and implementing major reforms."

He then went on to praise the performance of WorkCare, which shows quite clearly just what a capable administrator Michael Roux is and how much WorkCare improved under his administration.

So where does that now leave the minister? I'd suggest with egg all over his face.

He has sacked a man who has turned WorkCare from the pits into a viable operation within two years of being fully funded — if he had been able to get further reforms past Mr Pope.

But that fell into the too hard basket so it appears the minister, instead of acting on the advice of his career public servant, decided to get rid of the messenger.

It's not over yet, either. The procedures put in place by Mr Pope since Michael Roux left are already seeing an increase in common law actions and far higher payouts than ever. Watch this space.

*Sony*

## Stoney speaks up on contract

From Page 1

Mr Stoney has said in the declaration that he negotiated with Mr Gordon to reduce the payout to minimise the cost to the transport corporation.

He also recalled discussion as to whether or not the contract should be signed to complete the paperwork — but recalled that Mr Gordon may have signed his copy of the contract.

He said that he had no recollection of signing the contract, and gave an assurance that he had never shredded a copy of the contract.

He recalled that the contract was agreed on or about July 11, 1990, applicable for five years from

April 3, 1990, when Mr Gordon began working in the transport portfolio attached to the minister's office.

He also said that the initial draft was prepared by Mr Gordon on standard conditions operating in state government contracts and that he had only ever seen one version of the contract.

Meanwhile, the Opposition kept up its Parliamentary attack on Mr Spyster yesterday, accusing him of misleading the House on two other occasions.

The Shadow transport spokesman, Mr Brown said

Mr Spyster had repeatedly told Parliament Mr Gordon's contract was a standard corporation contract.

Mr Brown asked if it was a fact that the contract was not standard and had not been prepared by the corporation, but by Mr Gordon.

He then accused Mr Spyster of misleading the House on the issue.

And the National Party leader, Mr McNamara, claimed in Parliament Mr Spyster had misled the house over claims that the corporation had met its budget targets.

Mrs Kirner said the Opposition's allegations that Mr Spyster had misled

Parliament should be dealt with through the proper channels and not in question time.

"The contract between Mr Gordon and the PTC will be handled by a Public Service Board investigation and if there are any matters for discipline they will be appropriately dealt with," she said.

"There has to be natural justice and there will be," Outside Parliament, Mrs Kirner said Mr Stoney had been a very effective public servant.

"I regret this instance but that doesn't mean to say there doesn't have to be proper action taken if necessary," she said.

## Packer opens fire on Fairfax

By MICHAEL EPIS

KERRY Packer launched a broadside at the Fairfax newspapers on his TV station last night when he accused them of a conspiracy of distorted reporting of the Tourang bid for Fairfax.

Speaking on Channel Nine's *Current Affairs*, Mr Packer said there was "undoubtedly" a conspiracy against the bid, of which he is a major part, to imply that he would run Fairfax.

Asked if Mr Rupert Murdoch's News Ltd newspapers were part of the conspiracy, Mr Packer said they do "not want a strong competitor".

Mr Packer said that through Tourang he would own only 15 per cent of John Fairfax and Canadian publisher Mr Conrad Black would have 20 per cent, with 65 per cent open to a public float.

The public will control Tourang," Mr Packer said. "Conrad Black will run the thing, not me."

Mr Packer admitted he did not have a record of being a passive investor.

Journalists at the Fairfax papers, including *The Age*, have protested against the Tourang bid, saying it would further concentrate the ownership of Australian media and

because of Tourang's refusal to approve a charter guaranteeing editorial independence.

The other two bidders — Australian Independent Newspapers and Mr Tony O'Reilly's group — have supported the charter.

Mr Packer defended his record on interference by saying he did not inspect the contents of his magazines before publication.

He said the notion that his presence would threaten the independence of the Fairfax papers was a preposterous suggestion.

To avoid accusations of using his media for his own purposes, Mr Packer fielded questions from three Fairfax journalists, Mr Kenneth Davidson, Mr Alan Kennedy and Mr Turf Burton.

The event threatened to become farcical when Mr Burton refused to read article 1 of the Australian Journalists Association code of ethics, which Mr Packer claimed has been passed repeatedly in reporting on Tourang.

Before facing the panel Mr Packer was introduced by Jana Wynn whom he told he was not a boy.

## Magazines float

NEWS Corporation Ltd yesterday announced it would float the group's Australian magazine and commercial printing operations.

News said the move would raise \$682 million. The Australian magazine and commercial assets will be sold to the newly-created company Pacific Magazines and Printing Ltd, which will be floated.

Pacific, which will be 45 per cent owned by News after the float, will incorporate Southdown Press Ltd, Progress Press, Wilke Color, Wilke Directories, Griffin Press and Keppell Printing.

Report, Page 31

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**NEWS**

**FEATURE**

**PETER WILSON** writes that Commonwealth leaders, who met this week in Horov, fumbled a great chance to crack down on brutal despots in their own ranks. — Page 13

**WORLD**

**Emotional reunion for freed hostage** — Page 15

**SPECIAL OFFER**

**Herald-Sun**

NEWS-PICTORIAL

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**EDITORIAL**

The Opposition pledges to change the VCE in everything but name and to take back control of the system from the unions. Meanwhile, Victoria's students struggle to acquire learning in an ideological limbo. — Page 12

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